Will rail transit stop the **traffic blight** that ruins our cities?..... p. 37

May 15, 1961

RAILWAY AGE WEEKLY

PASSENGER TRAFFIC



ISSUE:

24 NAME TRAINS PROVE PASSENGER BUSINESS IS VERY MUCH ALIVE.... p. 18

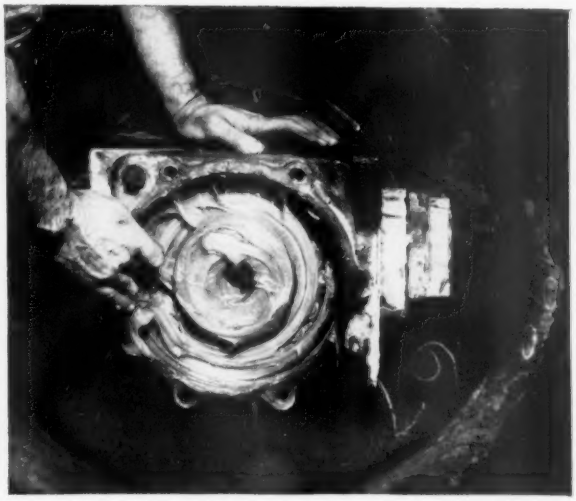
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RAILWAY AGE

WEEK AT A GLANCE

May 15, 1961 • Vol. 150, No. 20

Passengers at the crossroads

Here's a careful analysis of the problems faced by the nation's passenger-carrying railroads, plus a generous sampling of some of the suggested solutions p.9

Rules board studies 'op' wages

Management presented its case last week for making 160 miles — instead of 100 miles — the basic-day run for engine crews and freight trainmen p.13

Passenger business is still alive

U.S. railroads continue to operate a fleet of fine passenger trains. This showcase of 24 name trains demonstrates that there's still a lot of vitality in the passenger business p.18

Can rail transit save our cities?

There has been a sharp upsurge in the amount of research devoted to the nation's transit systems. Here is what's under way in 13 of our larger metropolitan areas p.37

Santa Fe opens Oakland Transport Center

The new facility consolidates under one roof all the road's traffic offices in the California city. It is readily accessible from any point in the Bay area p.46

Railroads oppose CTA subsidies

Chicago commuter roads have taken a firm stand against the imposition of special taxes to subsidize the Transit Authority. They say it would imperil their own services p.47

ICC opposes merger-power stay

The Commission has warned Congress that suspension of its authority to approve consolidations could cause "serious harm" to some railroads p.55

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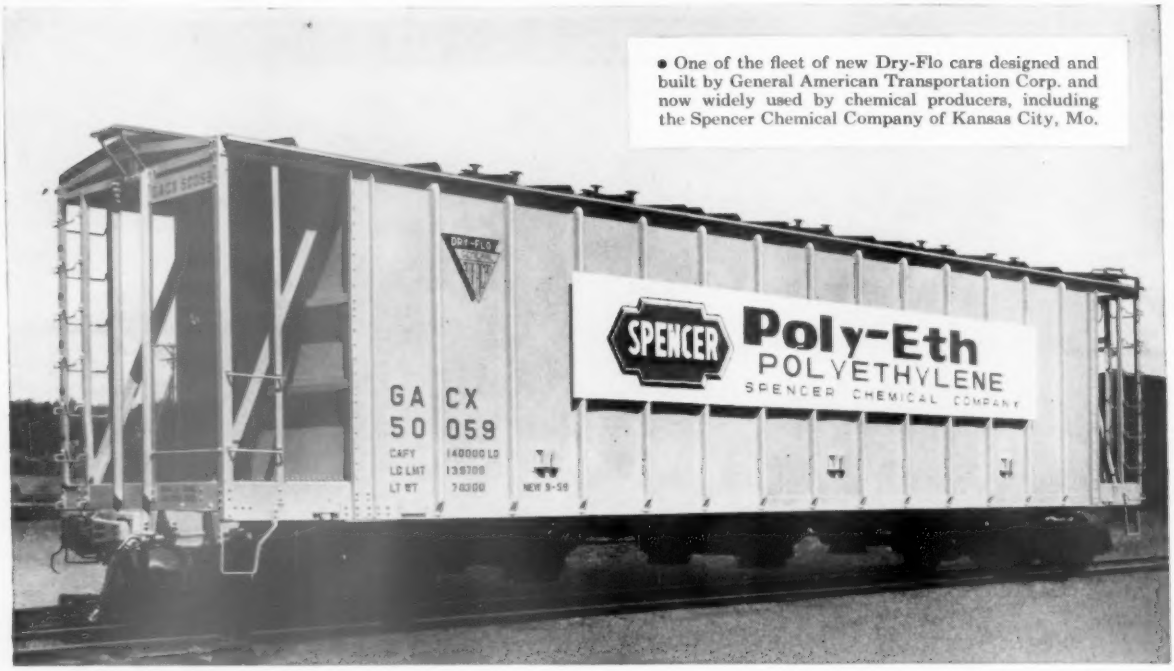
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WEEK AT A GLANCE

'Telpak' in lieu of microwave?

AT&T claims its new service can meet the public need for bulk communications at rates "generally competitive" with the cost of private microwave systems p.56

The Action Page—'Get your foot off my neck'

Public policy must be revised to permit continuation of railroad passenger service. If the poison is removed, the so-called invalid will recover rapidly p.66

Short and Significant

Bids for an estimated 90 new subway cars . . .

will be requested soon by the Massachusetts Transit Authority. The new fleet would replace existing rolling stock on Boston's Cambridge-Dorchester subway line.

New York's Port Authority . . .

is expected to announce soon details of purchase of new commuter cars for the New York Central, New Haven and Long Island. PA will lease the cars to the railroads.

Business has 'struck bottom'. . .

and should improve during the second and third quarter, says PRR Chairman J. M. Symes. But he expects improvement to be "gradual rather than spectacular."

Class I railroads operated in the black . . .

in March but their net income of $14 million failed to wipe out a January-February deficit of $28 million. Rate of return in the year ended March 31 averaged 1.68%.

N&W stockholders overwhelmingly approved . . .

the proposed N&W-NKP-Wabash consolidation last week. A total of 99.6% of shares voted (representing 92.89% of all voting stock) favored the three-way unification plan.

Current Statistics

Operating revenues	
3 mos., 1961	$2,128,831,304
3 mos., 1960	2,411,781,592
Operating expenses	
3 mos., 1961	1,781,378,954
3 mos., 1960	1,913,520,598
Taxes	
3 mos., 1961	228,698,551
3 mos., 1960	266,396,272
Net railway operating income	
3 mos., 1961	23,193,025
3 mos., 1960	147,036,382
Net income estimated	
3 mos., 1961	Def. 13,000,000
3 mos., 1960	99,000,000
Carloadings revenue freight	
17 wks., 1961	8,489,291
17 wks., 1960	10,068,897
Freight cars on order	
April 1, 1961	15,801
April 1, 1960	42,131
Freight cars delivered	
3 mos., 1961	9,347
3 mos., 1960	13,850

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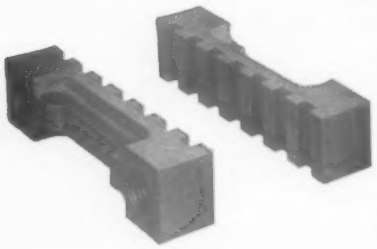
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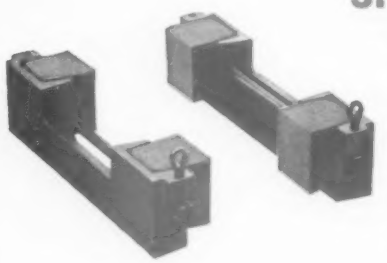
Bolted to the inside of the box, on both sides of the journal, Magnus R-S Journal Stops positively prevent excessive displacement of bearing, wedge or lubricator pad, even under severe humping, braking or road impacts. By stabilizing the entire journal bearing assembly they eliminate the major causes of bearing failures–increase miles per hot box *ten times;* miles per cut journal, *fifteen times!* In short, they cut maintenance and operating costs all along the line–double bearing and dust guard life, reduce wheel flange wear, extend the maximum safe period between repacks.



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3. MAGSTOPS

Offer the inherent advantages of R-S Journal Stops in a low-cost, rugged, fabricated design

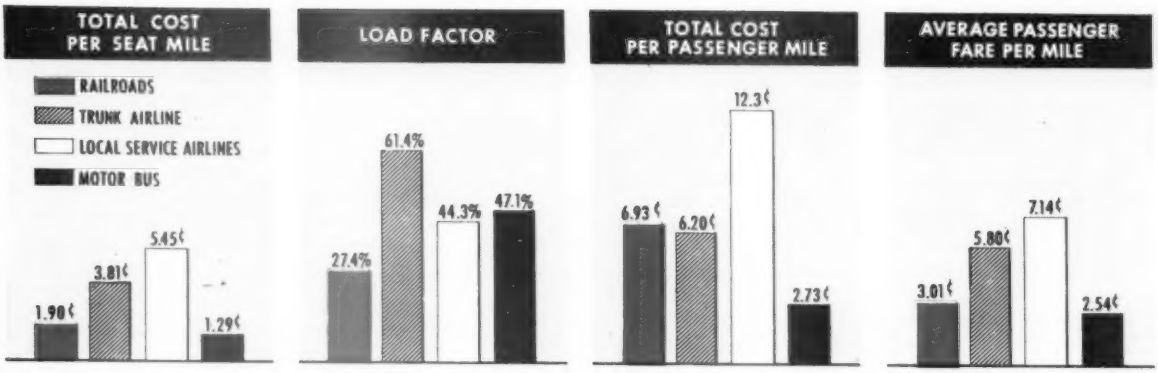
Here's a new approach to the problem of journal box stabilization–a low-cost fabricated journal stop with forged steel frames and renewable bronze inserts that hold the journal in the center of the box even under the most severe car impacts. The frames are welded to the inside of the journal box and need never again be removed. Wear occurs only on the brass inserts, which are easily and inexpensively replaced during wheel changes, without any special tools.

The next big step toward better bearing performance will be the adoption of effective means of stabilizing the journal assembly–for this is the most economical way to reduce hot boxes. Magnus, the pioneer in journal stabilization, now offers you *three ways* to achieve this result at low cost. All have been approved by the AAR for test installations in interchange service. Ask your Magnus representative to discuss with you the most effective solution to this problem. Or write to Magnus Metal Corporation, 111 Broadway, New York 4, or 80 E. Jackson Blvd., Chicago.

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Why Passenger Trains Lose Money—And Why There's Still Hope

Rail passenger service in 1959 had one of the lowest seat-mile costs of any form of public transportation, as shown by this bar chart based on a Doyle Report table. Railroads, however, also had the lowest load factor of the major forms of public transport. Railroads, therefore, had a high cost per passenger mile, much higher than the average passenger fare, with a resultant passenger deficit for 1959 of $543.8 million. If passenger miles can be brought into better balance with seat miles, while seat-mile costs are kept below fares, passenger business should be profitable.

Passengers at the Crossroads

Help for passenger-carrying railroads may be on the way. As President Kennedy's undersecretary of commerce for transportation, C. D. Martin, has pointed out (RA, May 8, p. 29), the administration is worried because the passenger-carrying business, including railroads, is in trouble. What's going on? In this special report, Associate Editor Rod Craib explores some of the ground that the President's Task Force on Transportation Policy will have to cover.

Rail passenger service (including head-end traffic) is in a curious position. It produces over a billion dollars a year in revenue—and at the same time saddles railroads that still provide it with a net loss of nearly half a billion dollars. Paradoxically, a business with revenue potential considerably higher than that of most industrial products is the one that most railroads that have it would most like to be rid of.

The situation is not wholly gloomy, of course. There continues to be—as pages 18, 19, 22, 23, 26 and 27 make abundantly clear—a substantial amount of excellent rail service in every section of the country, which the public, by and large, continues to support.

There are, 1960 reports reveal, many railroads showing improved passenger revenues results. The Burlington, for instance, says its passenger revenues for 1960 were the highest since 1946, "despite general economic adversity and a substantial reduction in passenger train miles. (Burlington said its favorable showing was "the result of a basic philosophy of passenger sales that: (1) High-quality passenger service between major population centers develops and maintains a high level of public acceptance, (2) Careful analysis of markets reveals increased opportunities for further sales efforts.)

Another example, the Seaboard, reported passenger business in 1960 almost 9% ahead of 1959, the fifth year out of the past six that Seaboard has shown an increase in passenger business. (This was also the second year in a row in which the biggest passenger-revenue-producing month for the railroad, primarily a New York-Florida carrier, came in July.)

The Baltimore & Ohio found that an aggressive sales policy, coupled with prices that met with general public acceptance, boosted 1960 passenger revenues by almost $1,350,000 over 1959. "The increase is attributed principally to reduced round-trip 30-day coach fares and Slumbercoach service," B&O said.

These are specific cases; others could be cited. But even with more examples of scattered favorable results, a question of the economics of rail passenger service as a whole would have to be answered. The passenger service deficit predicted for 1960 is "slightly under $500 million," which is considerably better than the 1957 record deficit of $724 million, but still a sizable sum.

Is there a need for a national policy on passenger transportation? The Kennedy Administration thinks so—and the Senate Committee on Interstate and Foreign Commerce has before it a preliminary draft of what that policy might be.

In its report to the Senate committee, the special study group headed by Major General John P. Doyle devotes a whole chapter to measuring "the need for a particular segment of passenger transport." Criteria used, the so-called Doyle Report says, were: Where the total capacity required for a particular movement of people would be clearly inadequate without the segment under consideration; where certain important geographic locations could not be served by another mode; where the carrier possesses unique service advantages; and "where rising or stable public demand is in itself an indication of the public necessity of the service."

On this basis, the report asserts, "The United States is simply not dependent on rail passenger service today. . . .

(*Continued on page 15*)

RRs Move to Speed Rate Procedures

Eastern railroads moved last week to streamline their rate-making procedures. They asked the ICC for authority to modify their "5a agreement" in order to:

(1) Abolish two "unnecessary" committees—the Freight Traffic Committee—Trunk Line Territory Railroads and the Freight Traffic Committee—Central Territory Railroads.

(2) Dispose of emergency proposals without public hearing.

The petitioning roads said they would save both time and money (an estimated $300,000 a year) by referring all traffic proposals to the General Freight Traffic Committee—Eastern Railroads and abolishing the two subordinate committees.

The petition noted that under the Section 5a agreement now in effect "the General Freight Traffic Committee—Eastern Railroads may jointly consider, determine and take action with respect to proposals for the initiation or establishment of all traffic matters that the Trunk Line Committee and the Central Committee may consider. All of the railroads who are represented on these two committees are also represented on the General Freight Traffic Committee. The railroads are unanimous in concluding that traffic matters can be disposed of with greater dispatch, more efficiently, with less travel and far more economically if handled directly by the General Freight Traffic Committee. . . ."

The petition added:

"When the original Trunk Line and Central Territory Committees were established, there were large numbers of separate railroads in each territory, a condition which no longer obtains. Moreover, at the time of these Committees' original establishment, and for many years thereafter, the rate adjustments in Trunk Line and Central Territory were quite different. Now they are generally the same."

In asking for approval to handle emergency proposals without public hearing, the petition noted that the Southern Railroads Agreement and a number of motor carrier agreements, all approved by the ICC, contain this provision. These agreements recognize, the petition said, that "there are proposals which must be handled with such dispatch that the holding of a public hearing thereon by the carrier committee or committees involved is impracticable and, in some instances, tantamount to defeating the purpose of the proposals."

WATCHING WASHINGTON WITH WALTER TAFT

• **NEW DRIVE** to repeal the 10% fare tax is under way. Presentations of railroads, other for-hire carriers, the National Industrial Traffic League, the Transportation Association of America and other interested parties are going to the House Committee on Ways and Means which is considering President Kennedy's tax program. The President wants the levy continued.

THE ICC is in its usual role as an advocate of repeal. That has been its consistent position since 1948. Commission Chairman Hutchinson reminded the House committee that the tax was imposed originally as a wartime measure to discourage travel—but "to discourage travel now in the face of the huge railroad passenger deficits is to contribute substantially to the already recognized plight of our nation's railroads."

THE RATE of the tax is scheduled to be reduced to 5% July 1, but Congress is being urged to defer again the effective rate of the reduction, as it did last year. Government revenue considerations, of course, have been to the fore in arguments for continuance of the tax. It yielded $261 million last year.

IN THAT CONNECTION, however, Mr. Hutchinson contended that the net revenue loss from repeal would not be so big. He mentioned several offsetting factors, including increases in income taxes of carriers and other businesses as a result of the reduction in tax-deductible business costs, and higher carrier revenues from increased travel or substitution of fare increases for the levy. Another offsetter on Mr. Hutchinson's list was "reduction of subsidies to certain passenger carriers."

• **DEMURRAGE CHARGES** won't be raised. Railroads have abandoned, for the time being at least, their undertaking to put over increases they proposed last year. The proposal has been opposed by the National Industrial Traffic League and shippers generally.

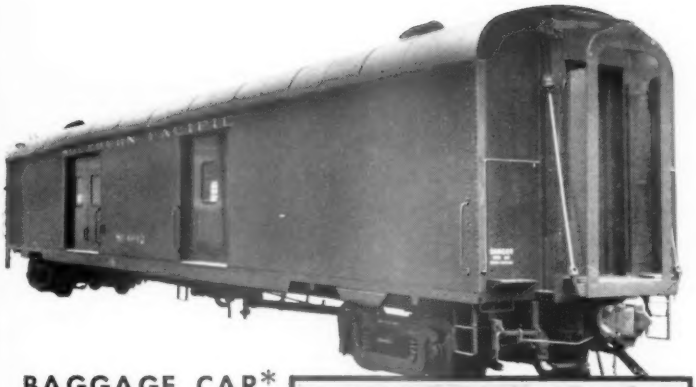
THE ABANDONMENT was recommended by the Demurrage Committee of the AAR's Operating-Transportation Division and approved by the division's general committee. Formal notice of the decision was scheduled for publication the latter part of last week.

THE PROPOSED INCREASE would have raised demurrage charges to $6 per car per day for the first four days after free time, and to $12 per car for each succeeding day. Present charges, which will now remain in effect, are $4 and $8, respectively.

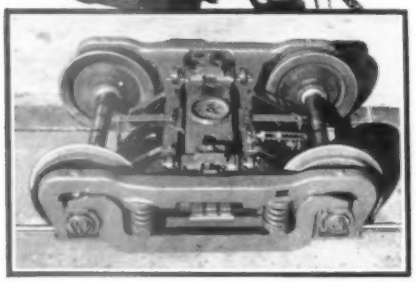
DEMURRAGE-RULES CHANGES were also part of the now-abandoned railroad plan. These, too, would have required shippers to pay more. Most important of them would have modified the average-agreement rule to require two credits to offset one debit, instead of the present one-for-one offsetting basis.

THE NIT LEAGUE was adamant in its opposition to the proposal as made. It did, however, offer to consider endorsing a "modest increase" in the rates—if the average-agreement rule were modified to put computations thereunder on a six-months basis rather than on a calendar-month basis, and if use of credits were extended so that two could be applied to offset a daily charge at the penalty level. Presumably, this did not appeal to the AAR committee.

NEWEST ST. LOUIS CARS FOR THE SOUTHERN PACIFIC LINES AND UNION PACIFIC RAILROAD



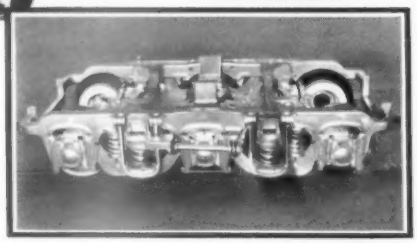
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Rules Board Studies 'Op' Wages

► **The Story at a Glance: Pay and assignment rules in agreements with train and engine service employees are costing the railroads approximately $337 million a year, according to Howard Neitzert, chief counsel for the railroads in the so-called "featherbedding" case. He made this statement to the Presidential Railroad Commission as he opened the dual-basis-of-pay phase of the railroad presentation at public hearings in Washington last week.**

Previously, the chief counsel for unions representing operating employees, Harold C. Heiss, had appraised the completed railroad presentation on management demands for elimination of firemen from diesel locomotives in road-freight and yard service, and for relief from crew-consist rules and laws. These presentations, as Mr. Heiss put it, contained "fatal" flaws and were nothing more than "a continuation of the propaganda campaign against operating employees."

Management Counsel Howard Neitzert last week told the Presidential Railroad Commission that a considerable part of the "unnecessary" expense caused by work rules applicable to operating employees could be eliminated if management were allowed to establish longer runs.

Mr. Neitzert put the average run at 120 miles, and said it is usually completed in about five hours time on duty. For this, employees get 1 1/5 days' pay, he explained. He also had examples of assignments in which earnings of road service personnel exceeded $13 per hour worked.

Mr. Neitzert also had an estimate of what the railroads are paying for "miles paid for but not run." He put this cost at "more than $68 million annually."

Explaining management's proposal, Mr. Neitzert said it contemplates making 160 miles, instead of 100 miles, the basic-day run for engine crews and freight trainmen. Corresponding adjustments would be made as to passenger trainmen who now have a 150-mile day. The proposal also contemplates ending union spread-the-work rules which limit monthly miles run by operating employees; and eliminating rules barring train crews from operating through division or crew-change points.

Other phases of the proposal would eliminate arbitrary payments and special allowance, graduated rates of pay, and higher-than-standard rates. In addition, the railroads want freedom to use road crews for switching service, yard crews outside switching limits, and engine crews to handle their own locomotives where hostlers are now employed.

First management witness on these proposals was James W. Oram, vice-president of the Pennsylvania in charge of public and employee relations. He said that failure to revise the mileage-basic day method of paying train-service employees to reflect technological progress has produced "artificial, unjustified increases in earnings for many employees."

Through-freight engineers in 1959 worked only 4 hrs. 37 min. for 100 miles' pay, instead of the eight hours contemplated when the 100-mile "day" was standardized in 1919, Mr. Oram continued. He added that it took passenger-service engineers only 3 hrs. 8 min. to run their basic-day mileage in 1959.

If a revision of the the basic "day" were accomplished by elimination of spread-the-work rules, the monthly earnings of individual employees would be increased, Mr. Oram pointed out. As to the proposal to eliminate rules which bar inter-divisional runs, Mr. Oram said it would bring operating practice into line with increasing train speeds and would also serve to expedite service.

The railroads recognize that personal problems may be involved in moving home terminals, the PRR vice-president also said. As to that, he added, management proposes to negotiate with the unions or submit to arbitration questions involving moving expense of employees.

Benefit System in Red, Healy Warns

Management's representative on the Railroad Retirement Board, Thomas M. Healy, is again urging that Congress "declare a lengthy moratorium against any further increases in benefits under the Railroad Retirement Act and, in fairness, remove the gross inequities from the Railroad Unemployment Insurance Act."

If these steps are taken (and if regulatory discriminations are removed), he declared, "the proven ingenuity of management and the traditional successes of the railroad industry in waging uphill battles to victory over all adversities will provide the salvation. This does not mean that total railroad employment will again soar to the record heights of the past—and for obvious reasons—but there will be a sufficient well-balanced and stable roster to provide the support that the sagging railroad social welfare structure needs."

Total benefit payments in 1960, Mr. Healy noted, came to approximately $370 million more than tax collections, and "projections over the next five years indicate that . . . disbursements will exceed tax receipts by $2 billion." The unemployment insurance account, he added, "is in the red for more than $200 million . . . Obviously, it will require several years to liquidate the present indebtedness."

Mr. Healy pointed out that a steady stream of legislative amendments liberalizing benefits was approved over the period 1946-59—a period in which competitive pressures were having adverse effects on the industry and its workers. Between 1950 and 1960, he said, the number of beneficiaries on the rolls increased from 387,000 to 794,000 and total benefit payments climbed from $302 million to $926 million.

Automation and reduced traffic levels have contributed to rail unemployment, he declared. But "a large share of the responsibility for imperiling the Railroad Retirement System must rest with those who urged and sponsored the constant liberalization of benefits in the face of steady declines in railroad traffic and employment," said Mr. Healy.

No one, he concluded, "questions the eminent worth of the Railroad Unemployment Insurance program so far as it benefits loyal career employees who are necessarily furloughed because of economic or other unavoidable situations. . . .

"However, the Railroad Unemployment Insurance Act does contain gross inequities, placing far heavier burdens upon the railroads than on other industries, including their competitors, which can only be—and should be—removed by the Congress. Railway Age last January [Jan. 23, p. 16] did an excellent job in accurately bringing these inequities out into the open for public view."



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UNEXCELLED TRANSPORTATION FOR PEOPLE AND PRODUCTS

PASSENGERS AT THE CROSSROADS (*Continued from page 9*)

There is what may be termed a 'residual' desire for the service, but it is declining. The present service-price package offered by the railroads to the public is not attracting traffic, and its selling price is far below the cost of production."

The report, however, predicts an inevitable future demand for rail passenger service, if the nation grows in predicted patterns.

Factors that will cause passenger travel to continue to grow in the future, the report says, are: national income, which predictions indicate will continue to increase; public desire to travel, also likely to increase; and population distribution, which, projected from present trends, is likely to create many more metropolitan centers—or travel markets—than we have now. Passenger travel in 1970-1980, the report says, will fall in four categories: travel within metropolitan areas, travel through megalopolis areas (groups of metropolitan areas), long distance intercity travel, and travel in rural areas. Of these, the first will be a market for commuter rail service and the second and third—for distances under 500 miles—markets for rail coach service.

However, the report warns, "railroad transportation will be drastically reduced, if not eliminated, in the North Atlantic megalopolis in the next few years if there are no changes in plant operation and management attitude." Without attempting to answer the question of whether rail passenger service should be allowed to disappear and then be reconstituted by future demand, the report asserts that "highway congestion and increasing air and auto costs will inevitably produce such a demand. The alternative to discontinuance is some plan of organization or public assistance to maintain service through a transitional period that may be 10 to 15 years in length."

In the meantime, though, the report is not optimistic about first class travel. "Coach traffic," the report says, however, "presents a rather different picture. . . . There is a definite firmness in railroad suburban service and medium long-haul coach markets. One hundred and thirty-one million non-commuter passengers rode the rails in 1959 and produced $591 millions of revenue, including dining and sleeping car charges. This volume of business would seem to be a reasonable foundation for a profit."

In discussing the earnings experience of public carrier companies, the report notes that except for the four World War II years, railroad passenger revenues, by ICC accounting, failed to cover the full cost of the service in any year since 1930. "Railroad management has had no profit incentive to improve passenger facilities and services," the report notes, adding that improvements in passenger service have been financed by overall earnings from freight.

These facts led the study group to ask, in a section headed "The Challenge to Management and Regulation—will railroads be the victims or the survivors of the transport revolution?"

"Many of the problem areas discussed," the report contends, "arise from one clearly identifiable but rather intangible aspect of the railroad industry—management. . . .

"When present railroad management attitudes and actions are viewed in comparison with widely accepted and expected norms in American business, we are impressed," the report said, "with the frequency of the following observations:

"(1) There is great resistance to change, particularly in operating procedures. . . .

"(2) The railroads remain strongly production oriented in an age where most managements, even in other transportation media, are primarily distribution oriented, sales oriented, or customer oriented. . . .

"(3) There has been, until the past five years, an almost complete lack of the basic economic and market research which many other industries initiated back in the 1930's. . . .

"(4) With a very few notable exceptions railroad financial management seems to be one of the aspects least changed since the end of monopoly. The accountants have allowed themselves to be captured by the ICC accounting and reporting requirements primarily geared to ascertaining financial soundness and the current value of the property for earnings regulation. The system is in no way adequate for the provision of the unit-cost data, and cost-control information, that are universally accepted in modern business. . . .

"(5) Most important of all perhaps, the railroads are doing little to seek out or encourage able and educated young men for careers in the industry. . . .

(The report, however, goes on to cite "the great improvements of the last 15 years, which have in no small measure preserved the level of profits.")

In discussing management's efforts after World War II to modernize the passenger business, the report notes that "the results account for much of the gloom over the future of the service." Between 1946 and 1957, railroads spent $1.3 billion for passenger-service equipment, including over 6,000 new cars, or about 15% of the cars on hand in 1947. "In terms of air conditioning and use of modern materials for interior and exterior finish," the report says, "these cars were an improvement. However, the basic frame, truck and heavyweight designs of earlier years were continued for another 30 years, this being the conservative average life of rail passenger cars."

About cost control problems, the report commented: "The use of load factor as a managerial tool is of great importance in the other passenger carrying modes. Yet railroad operating departments strongly prefer to operate passenger trains of fixed consist and with as few changes of cars as possible. This deprives the passenger service of one of the highly advertised inher-

(*Continued on page 32*)

24 Lively Reasons for Optimism ..... p. 18

The nation's railroads continue to operate a fleet of fine passenger trains, 24 of which are shown in the next few pages. And these are by no means all: Trains omitted—like Frisco's Meteor; Soo's Laker; MKT's Texas Special; E-L's Erie-Lackawanna Limited; CofG's Nancy Hanks II; GM&O's Abraham Lincoln; KCS's Southern Belle, NKP's New Yorker, N&W's Powhatan Arrow; Reading's Crusader and others—deserve space in a showcase of fine trains, as well as those shown. Only lack of space keeps them from appearing here.

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OXWELD RAILROAD DEPARTMENT

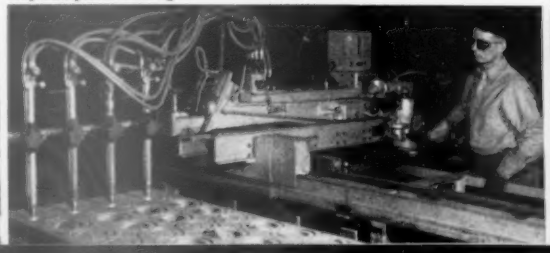
LINDE COMPANY **UNION CARBIDE**

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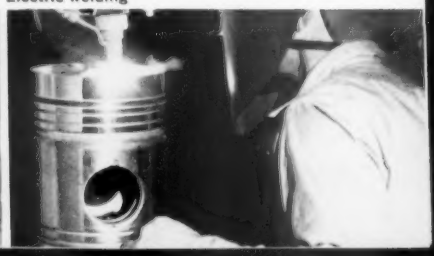
"Ribbonrail" service

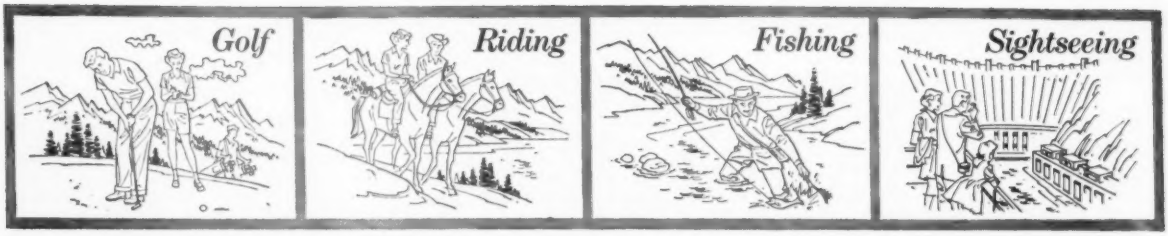


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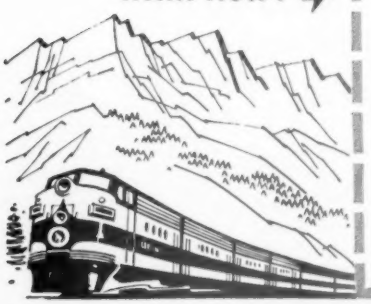
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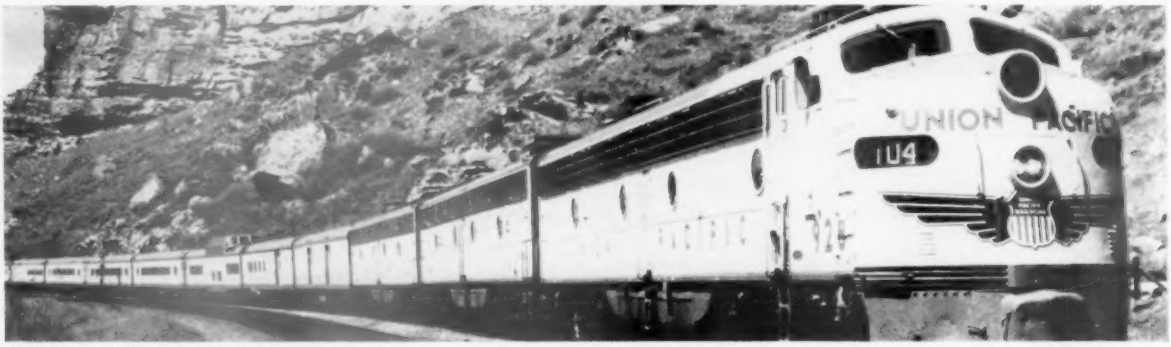
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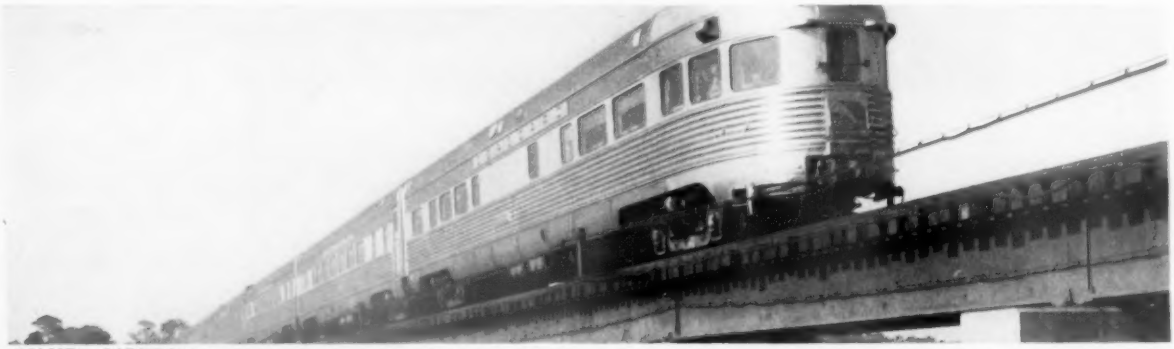
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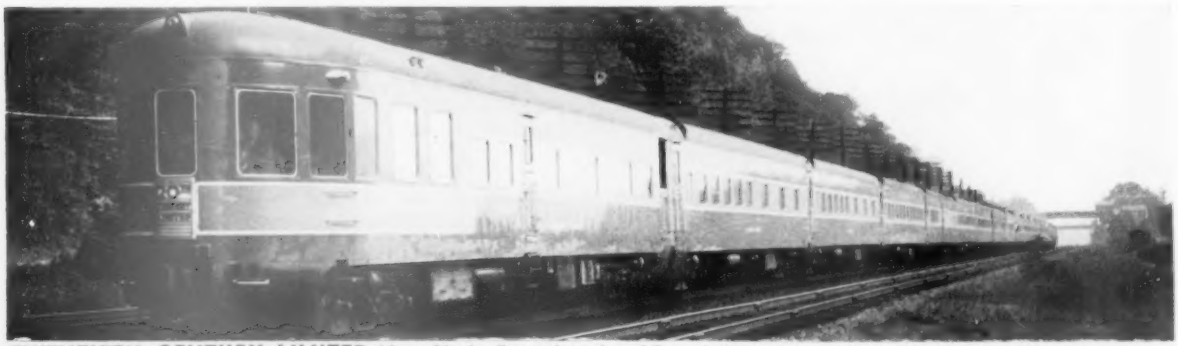
DENVER ZEPHYR Burlington trains 1 and 10 carry Vista-Domes, first-class accommodations, Slumbercoach, reserved leg-rest coaches on an overnight schedule over the 1,100-mile run between Chicago and Denver-Colorado Springs.



CITY OF LOS ANGELES Union Pacific trains 103 and 104 provide domes on lounges, diners and coaches; first-class accommodations, leg-rest coaches, second-morning arrivals, daily between Chicago and Los Angeles (via CMStP&P).



SILVER METEOR Seaboard trains 57-157/58-158 carry lounge, dining and observation cars, first-class reserved-seat coaches, a registered nurse and a passenger agent between New York and Florida (via PRR and RF&P).



TWENTIETH CENTURY LIMITED New York Central trains 25 and 26 between New York and Chicago carry a variety of first-class lounge and sleeping cars, Sleepercoaches, and reserved reclining-seat coaches, in 16-hr service.

WHY

ports of the death of passenger service have been greatly exaggerated.



SUPER CHIEF Santa Fe trains 17 and 18 between Chicago and Los Angeles offer all-first-class, extra-fare, 39½-hr service including the "Turquoise Room-Pleasure Dome" and Fred Harvey dining car service.



CALIFORNIA ZEPHYR Western Pacific, Denver & Rio Grande Western and Burlington trains 17 and 18 provide 50-hr, 50-min service between Chicago and San Francisco. All space, both coach and first-class is reserved.



EAST COACH CHAMPION Atlantic Coast Line and FEC trains 1 and 2 between New York and Miami (via PRR and RF&P) provide all-space-reserved first-class and coach service, with a variety of lounge and dining arrangements.



BROADWAY LIMITED Pennsylvania trains 28 and 29 offer all private-room, 16-hr service between New York and Chicago. Equipment includes lounge, observation and dining service, plus train telephone connections.

CONTINUED ON PAGE 22

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For 15 years railroads have been losing business to other forms of transport. But now, new developments in motive power have helped make it possible for railroads to regain this lost ground. Ton miles can be delivered at less cost, quicker and more reliably, than ever before.

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24 REASONS FOR OPTIMISM (*Continued from page 19*)



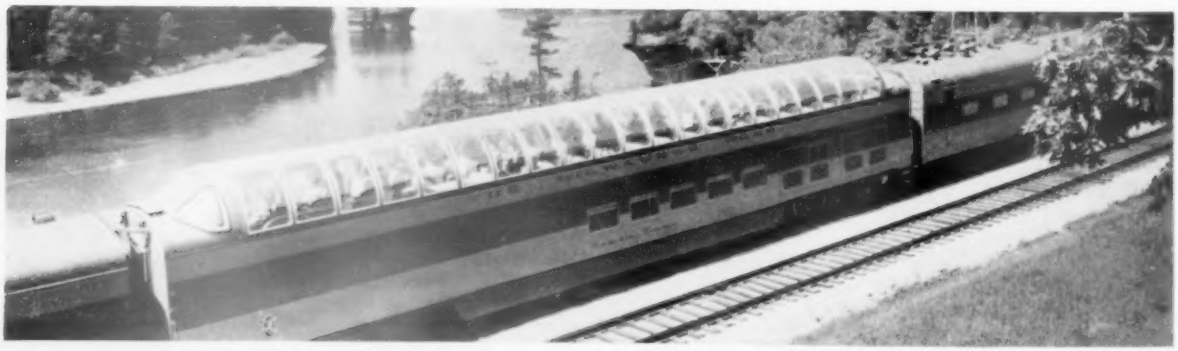
CANADIAN Canadian Pacific trains 1 and 2 provide afternoon departure and third-morning arrival between Montreal and Vancouver. Equipment includes domes, lounges, sleepers, tourist cars and coaches, all reserved.



EMPIRE BUILDER Great Northern trains 31 and 32 between Chicago and Seattle-Portland (via Burlington) offer full-length "Great Domes," private-room sleepers and coaches, lounge meals and a reserved-table dining car.



TEXAS EAGLE Missouri Pacific trains 1/21 and 2/22 (and Texas & Pacific trains 1/221 and 2/222) between New York (via PRR) and Chicago (via GM&O) and Texas provide sleepers, lounges and coaches, plus Slumbercoaches.



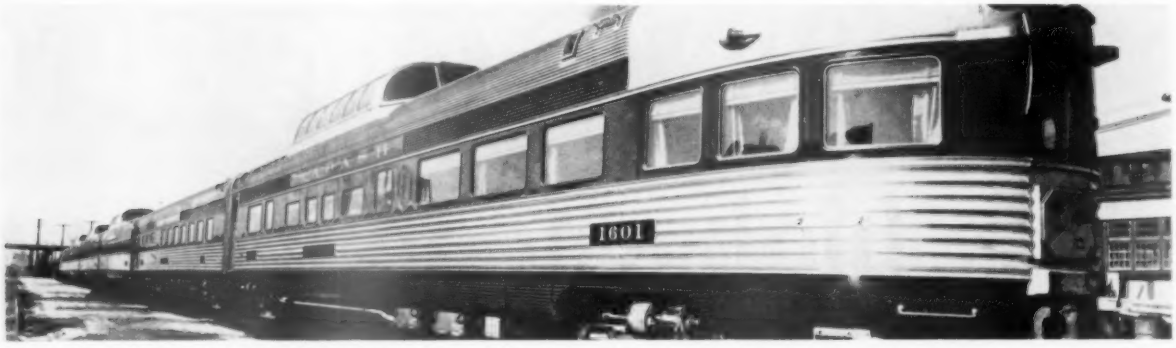
THE AFTERNOON HIAWATHA Milwaukee trains 2 and 3 offer "Skytop Lounge" drawing room-parlor car, plus "Super Dome" cafe lounge and reclining seat coaches in 7-hr service between Chicago and the Twin Cities.



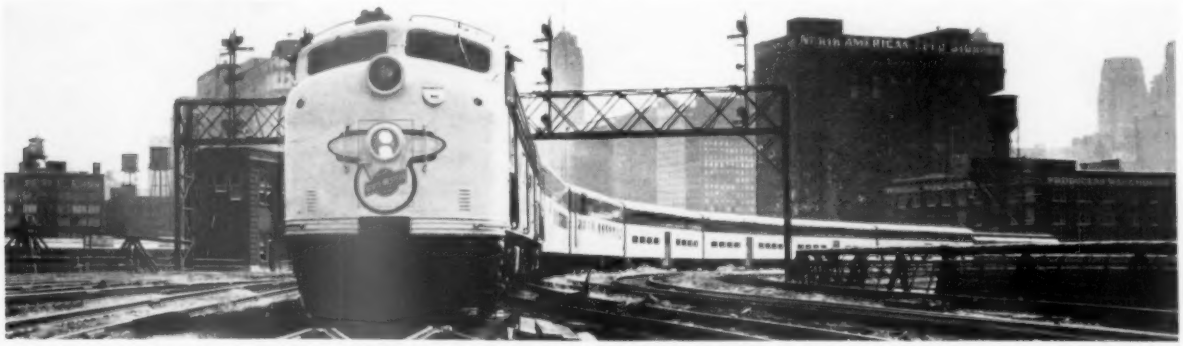
SUPER CONTINENTAL Canadian National trains 1 and 2 between Montreal-Toronto and Vancouver carry first-class and coach accommodations, including tourist roomettes, plus coffee-shop lounge, grill cars and dining services.



NORTH COAST LIMITED Northern Pacific trains 25 and 26 between Chicago and Seattle-Portland (via CB&Q) provide Vista-Domes, Slumbercoaches, all-room first-class sleepers and reserved-seat leg-rest coaches, plus lounge space.



BLUE BIRD Wabash trains 121 and 124 between Chicago and St. Louis offer a dome parlor-lounge car, a dome chair car, reclining seat coaches and a "Coffee-Shop Club" plus 5 hr 25 min schedules.

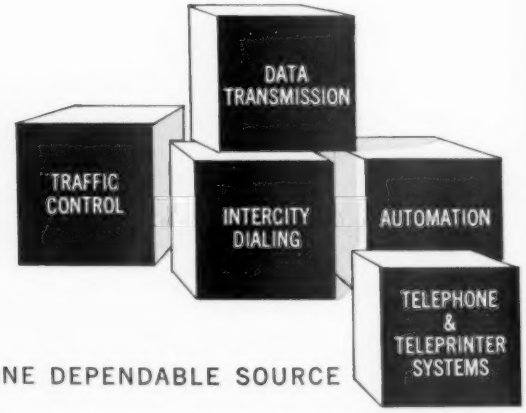


PENINSULA 400 Chicago & North Western trains 209 and 214 between Chicago and Ishpeming-Green Bay provide bi-level reclining-seat coaches and parlor cars, plus a tap-lounge, bar-lounge and dining car.

CONTINUED ON PAGE 26



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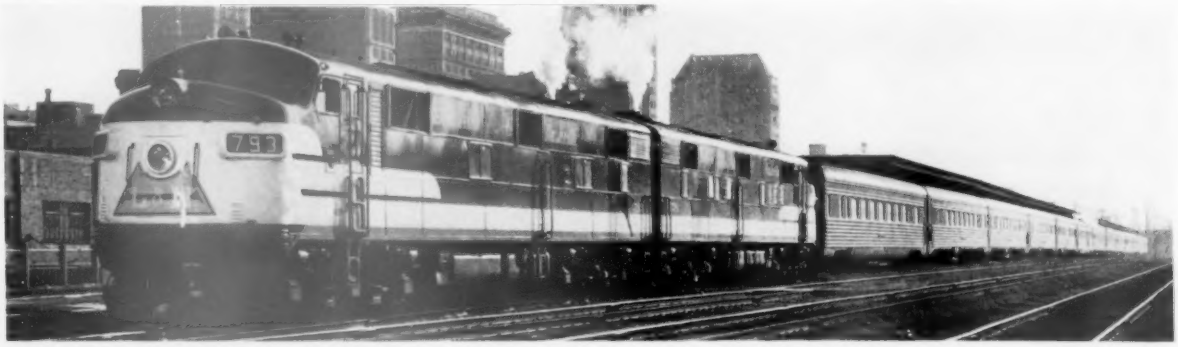
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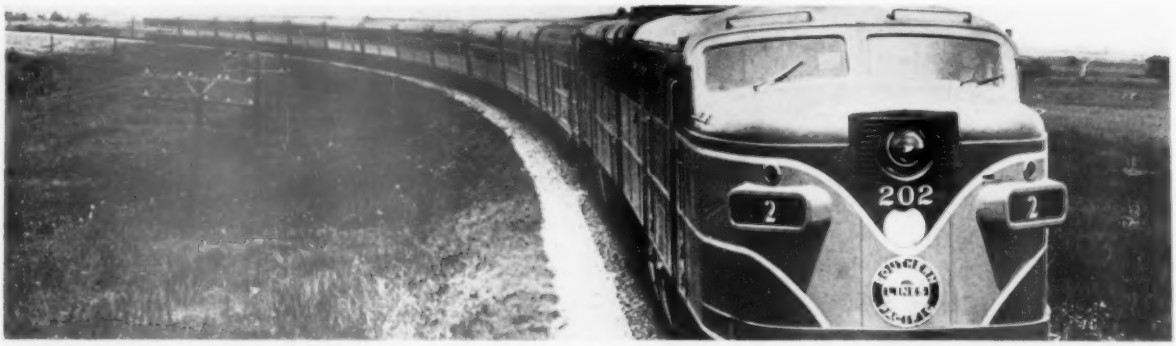
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 (Continued from page 23)



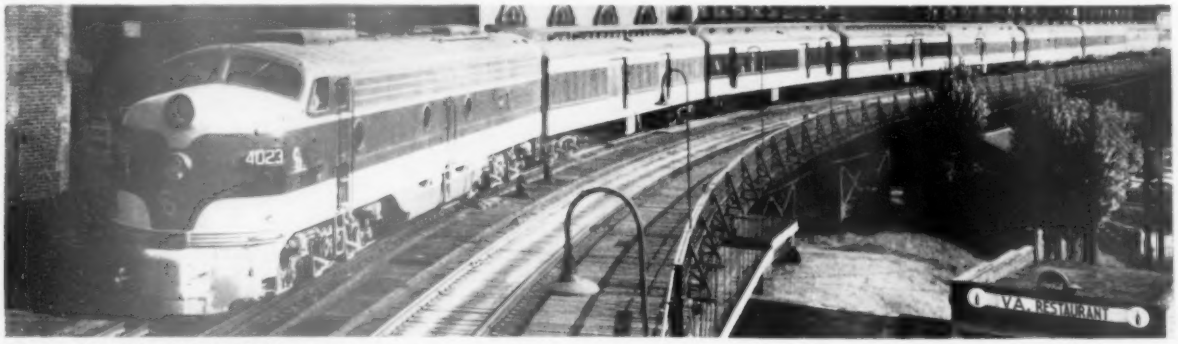
HUMMING BIRD Louisville & Nashville and C&EI trains 93-5 and 6-54 between Chicago and Alabama offer first-class sleepers and reclining-seat coaches plus lounge and dining car services.



SUNSET Southern Pacific trains 1 and 2 provide daily, extra-fare private-room sleeper and leg-rest coach service between New Orleans and Los Angeles. Shower-bath and valet service are available.



CAPITOL LIMITED-COLUMBIAN Baltimore & Ohio trains 5-25 and 6-26 between Baltimore and Chicago feature private-room sleepers, Slumbercoach, "Strata Dome" lounge, reserved coaches and a stewardess-nurse.



GEORGE WASHINGTON Chesapeake & Ohio trains 1-14-21 and 2-22-42 provide service between Washington and Cincinnati-Louisville (and Chicago via NYC), in all-room sleeping service and reclining-seat coaches.



PANAMA LIMITED Illinois Central trains 105-5 and 6-16 offer all-room sleeper service between New Orleans and Chicago and St. Louis. Parlor cars are provided for portions of the route.



GOLDEN STATE Rock Island and Southern Pacific trains 3 and 4 provide extra fare all-room sleeping car and reclining-seat coach service between Chicago and Los Angeles with a grill-lounge for coach passengers.



CRESCENT Southern trains 37 and 38 provide private-room sleeping cars between New York-Washington and Atlanta-Montgomery-Mobile-New Orleans (via PRR and L&N), plus reclining-seat coaches for certain portions of trip.



MERCHANTS LIMITED New Haven trains 26 and 27 offer parlor cars, reclining-seat coaches, dining service and grill service on a 4-hr 15-min schedule between New York and Boston-Providence.



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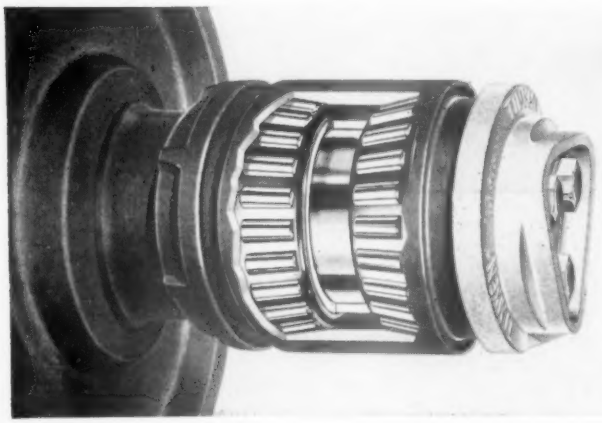
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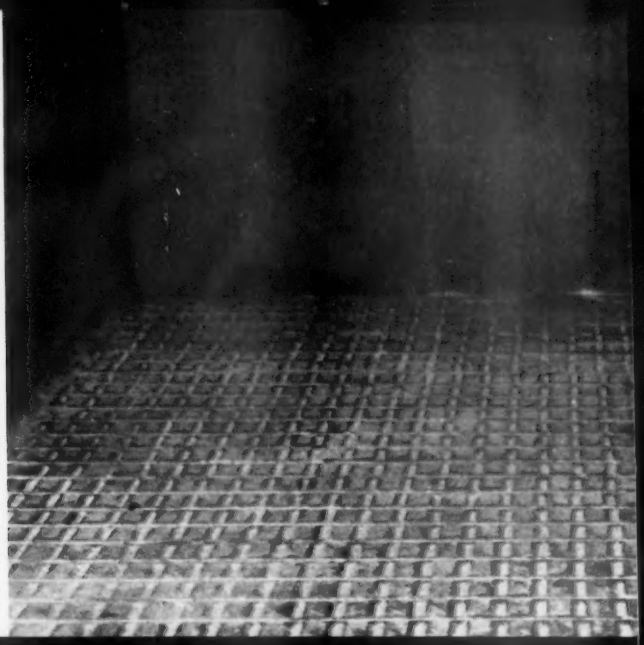
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THIS IS MILWAUKEE CAR 28280. Its NAILABLE STEEL FLOORING is 11 years old, has never cost a dollar in repairs. Yet it is still tight enough to haul flour, strong enough to carry top-tonnage loads.

NAILABLE STEEL FLOORING saves shippers money, too. Floors are always solid, smooth and splinter-free. Lading is much safer. So are loading dock employees. And the durability of N-S-F keeps more class A cars available for duty. As Mr. Bunce puts it: "NAILABLE STEEL FLOORING plays an important role in our continuing program to give shippers better service."

For even more protection against damage to lading and cars, N-S-F has two willing partners: Stran-Steel Grain Door Nailers and Stran-Anchor Lining for side and end walls.



and this car is still CLASS A"

it's equipped with N·S·F®



Unretouched photograph of flooring in MILW boxcar 28280

Full information and cost studies are available from Stran-Steel representatives in Chicago, New York, St. Louis, San Francisco, Minneapolis and Richmond. In Canada, N-S-F is made and sold by International Equipment Co., Ltd., Montreal. STRAN-STEEL CORPORATION, Detroit 29, Michigan

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ent advantages of rail transport, the ability to easily add or reduce capacity with the same motive power and crew cost."

What conclusions can be drawn? The report lists seventeen conclusions. Among them are:

● The only rail passenger service which has a place in intercity passenger transportation today is a service offering a combination of price and convenience which will attract business in open competition at full-cost fares. There is no need for and no national dependence upon a high-cost duplicating service which cannot continue without public operating subsidy.

● The study group believes that there will eventually be an important demand for rail passenger service within the large urban regions developing in the United States, but that this requirement is 10 to 20 years off.

● "The core of the problem is that passenger service has been operated in a manner placing the most important emphasis on low-cost production of a large volume, rather than a manner emphasizing the matching of supply with demand and obtaining operating characteristics necessary to meet passenger demand. The tendency has been to run fewer and longer trains each year, with the result that schedules are decreased, but not necessarily seat-miles. This has reduced the convenience to the passenger and reduced his opportunity to use it. The evidence before us," the report says, "indicates that a rail passenger service properly oriented and fitted to the market and operated only in the volume markets could produce a far higher ratio of revenues to expenses."

● Railroads have operated many services over routes of such low traffic density that the service has been unable to pay for itself. The burden of such service has adversely affected the whole. Reasons for this include obsolete laws and regulations and management apathy, the report says, but also "the failure of railroad managements to pool equipment and services and to reduce duplicating facilities."

● "As a result of these factors," the report says, "railroad passenger service has next to the lowest production costs per seat-mile and the highest cost per passenger mile actually carried among the public carriers. It appears inescapable that if the service was reduced and tailored to the traffic, the enlarged revenue per car-mile would more than offset any increased expense."

● "The traditional management organization in railroad companies has dispersed responsibility for earnings of the passenger service so broadly that there is no effective profit-responsible management of this service.

● "Railroad management has received much free consultation on the passenger service problem," the report says, "and we believe the next step is for the responsible railroad leaders to attempt an industry-wide determination of the future of the passenger business. If that determination is to make no important changes, managements will, and should, proceed with the present train discontinuance programs moving toward the complete abolition of the service. We cannot avoid the conclusion that this reflects the views of the majority today.

"If however, the railroad industry can agree on a positive program, involving a willingness to make the important management and operating changes which will be necessary, it should be assured of the whole-hearted cooperation of Government in providing those aids that are uniquely within the federal province. The railroad passenger business is truly at the crossroads and management's minimum responsibility at this time is to give top-level industry attention to determining a course of action.

● "The railroad passenger business is not a mean national asset, even at this time. Its present book investment is $3 to $5 billion of private capital. It still produces total annual revenues of over $1.2 billion. It can still move 300 people in comfort and at a very high degree of safety at 80 miles an hour, with only 3 or 4 men and only 1,500 horsepower," the report concludes. "If a program to rationalize and revitalize rail passenger service cannot be carried out by existing managements because they cannot overcome the problems of equipment interchange, trackage rights, financial realinements, managerial realinements, and eliciting the reasonably unified cooperation of over 80 companies, a national railroad passenger service corporation should be considered.

"Before we write this big business off, and it is big, even by American standards, a very thorough economic and market analysis should be made with sufficient financing and a sufficient length of time to produce new empirical data, from the car repair shop and the ticket counter on up. Operations analysis techniques should be employed in regard to scheduling, optimum consist, meshing with other railroad operations, etc. If the results of such a study indicate profitable operations based on conservative traffic and financial forecasts, a national passenger service corporation should be formed which would have complete control of marketing and producing the service. Such a corporation could move immediately to eliminate duplication, pool equipment and services, avoid circuitous routings planned to operate solely on owned tracks, centralize maintenance and install modern cost accounting and traffic reporting systems."

Six Keys to Passenger Profit

Rail passenger service has a large, if largely neglected, profit potential, according to some analysts. They say, for example, that railroads might profitably ask:

1. Is There a Market?

Yes, these analysts say—in fact, there are two separate and distinct markets for intercity rail passenger services: Persons wanting trips between cities or metropolitan trunk centers 100 to 500 miles apart, or trips of 750 miles and over.

The market is there, and it is huge. The real question is whether railroads can effectively exploit it. To do so will require completely different concepts of service and fares from those offered on most railroads today.

The second market, for longer trips, is much smaller and completely different, because railroads cannot offer a strictly competitive transportation service. Here the airlines have a clear advantage. Say those who see profits in the passenger future, this market can be developed by featuring the "extras" of rail travel: comfort, scenery, courteous service, dinner in the diner, all at an attractive price.

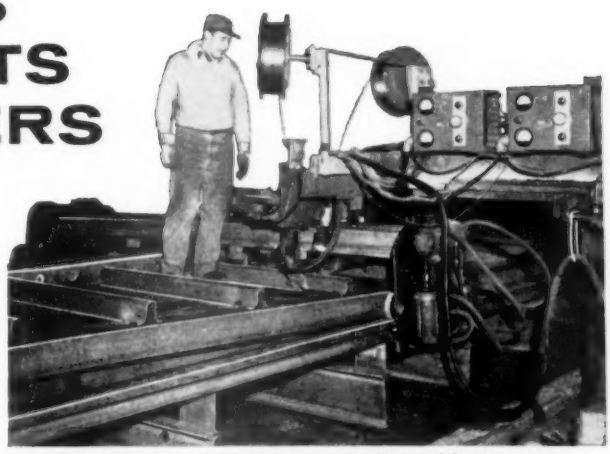
2. Can Accounting Pinpoint Costs?

The classic accounting argument about railroad passenger service has pretty well hinged around the question of whether the reported operating losses are "real." It's now firmly established they are. The important question

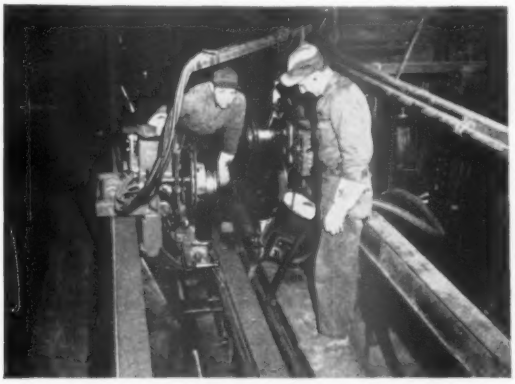
(Continued on page 37)

AUTOMATIC WELDING CUTS DELIVERY COSTS ON PACESETTERS

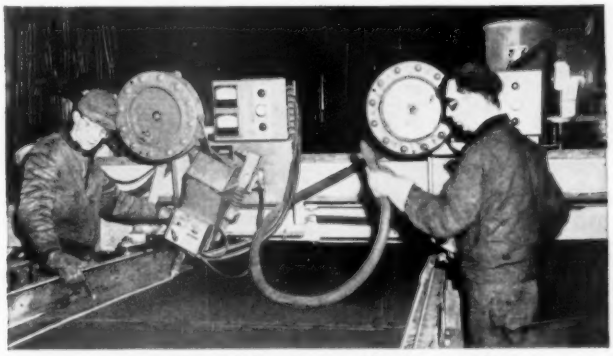
Thanks to automatic welding, Pacesetter package cars move through the big, modern Greenville shops faster and at less cost than ever before. Thanks to advanced design, Pacesetter gons, flats, hoppers and covered hoppers give you better service at lower cost. Planning car purchases, rebuilding or leasing? Get Greenville's bid. Production knowledge makes the difference.



Side stakes are welded on both sides with one pass.



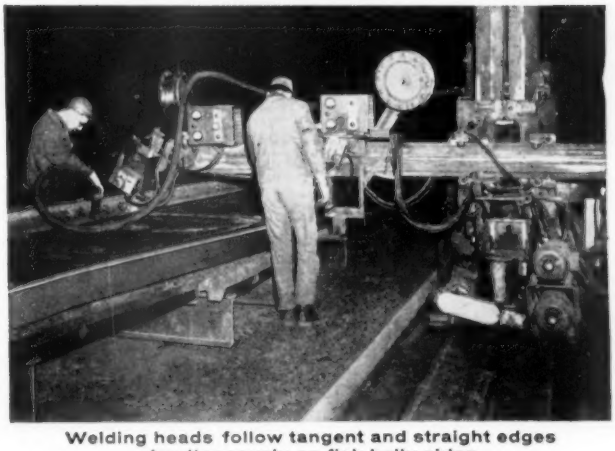
Two passes simultaneously, welding 6" and 7" channel for top side sill.



Automatic welding top and bottom angles, gondola sides.



Giant jig positions center sill for one-pass, automatic welding.



Welding heads follow tangent and straight edges simultaneously on fish belly sides.

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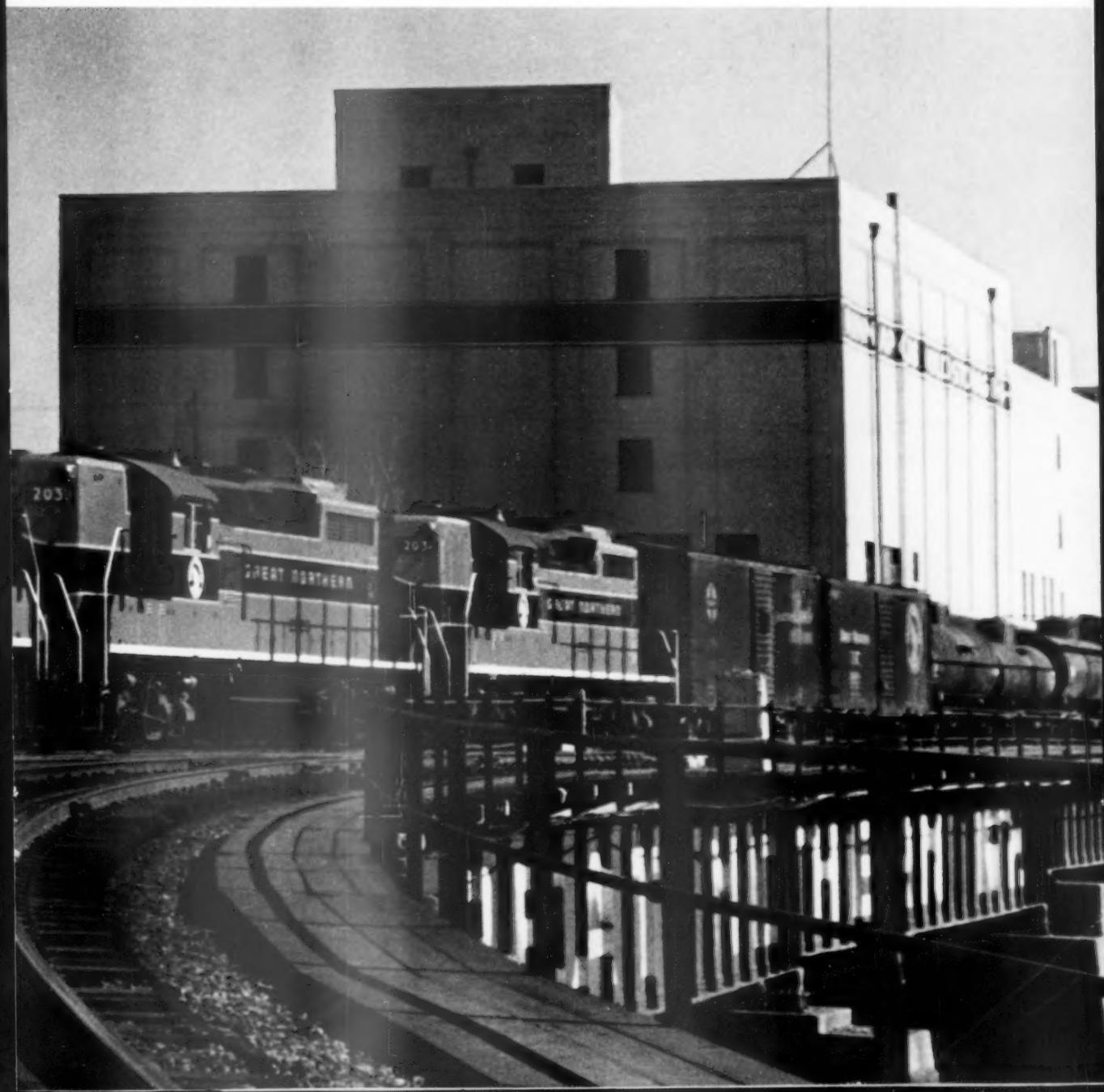
Thirty-six General Motors GP-20's speed freight on the Great Northern . . . race westward across the plains from St. Paul, climb the Rockies over 5211 foot high Marias Pass, and pull through the eight mile Cascade Tunnel into Seattle. Added capacity enables three GP-20's to replace four older units.

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PASSENGERS AT THE CROSSROADS (*Continued from page 32*)

today is, "Must passenger service costs be so high?" This is difficult to answer, these transport researchers will tell you, because of the way accounting records are kept.

The ideal cost record would treat passenger service as a separate product. Direct, controllable costs would be reported separately from allocated or apportioned costs. Both would be regularly and automatically compiled so that a manager could quickly determine where, how, and why money is being spent. From this to determining whether such expenses are necessary or excessive is a simple step. Revenue should be reported in the same way.

3. What Is Management Role?

As noted elsewhere in this issue, the Senate Interstate and Foreign Commerce Committee's study group called attention to management short comings as a cause of the railroad passenger deficit.

What is lacking, this and other studies say, is (a) a management team or organization having direct responsibility and control over costs *and* revenues, and (b) *managers* trained and skilled in the design and operation of passenger services.

4. How Important Is Design?

Equipment design has a strong influence on costs and revenues. It affects revenue by setting the standards of comfort, speed, and the general attractiveness of the whole service. It strongly influences costs because of its effect on crew requirements, terminal requirements, the price of maintenance and repair, utilization, size of fleet, and the price of power.

Design affects profits by its influence on load factors (the amount and kind of surplus capacity it provides or requires) and on fares.

A real challenge to railroads and the supply industry, one consultant suggests, is to come up with a vehicle which can equal or better the operating, maintenance and utilization efficiency of the modern jet plane or diesel bus.

5. Can Terminal Costs Be Cut?

As railroaders know, a huge amount of money is spent in stations and terminals— and, the transport consultant notes, most of it is spent in places the passenger can't see and doesn't know exists. A critical analysis of station and terminal expenses in terms of where and why the money is spent is revealing: It discloses large areas where changed equipment and operating methods could effect substantial savings while producing a better and more attractive service. One example is the coach yard. Another is the baggage room.

6. Are Present Prices Profitable?

Pricing (of passenger traffic), an area of great potential, has hardly been tapped to exploit the many advantages it contains. Prices determine volume (and thereby costs) and revenue. They, thus have a major effect on net profits. Pricing can be used for many things, passenger consultants point out, such as producing revenue from idle crews and equipment, smoothing peaks and valleys, and developing new markets. It can work in reverse, too, drying up markets, accentuating traffic peaks and valleys, and increasing idle time.

Some examples that are mentioned: Coach fares in an 84-seat coach are the same as in a 56-seat coach, yet the passenger-mile cost of a 56-seat coach is 50% more. The difference in price for a single passenger traveling in a roomette or a bedroom is small, yet the cost to the railroad is nearly double. The cost of a one-way coach ticket for a 200-500 mile trip is the same for daytime travel as for overnight travel, yet the railroad could accommodate large increases in overnight coach travel at small increases in cost.

New Rail Transit on the Way?

The past year has seen a growing awareness of the role rail transit can play in the economic and functional life of our great cities. With the continuing urbanization of our national population, this trend is of particular significance to railroads and the railroad supply industry.

The renewed interest in rail transit that is growing out of current metropolitan planning activities is generally coming late. In many cities — among them Boston, New York and San Francisco—there is the problem of restoring or rebuilding rail transit lines that were allowed to deteriorate physically, or were ripped up altogether.

For the first time in three decades, there is increased application of intelligent research, analysis and planning to transit systems, methods and designs. Yet there is simultaneously a shortage of men skilled in *rail* transit and its application, and a shortage of funds to use properly those men who have rail transit skills. The result is that much of the critical research, development and planning work is being done by men primarily schooled in highways.

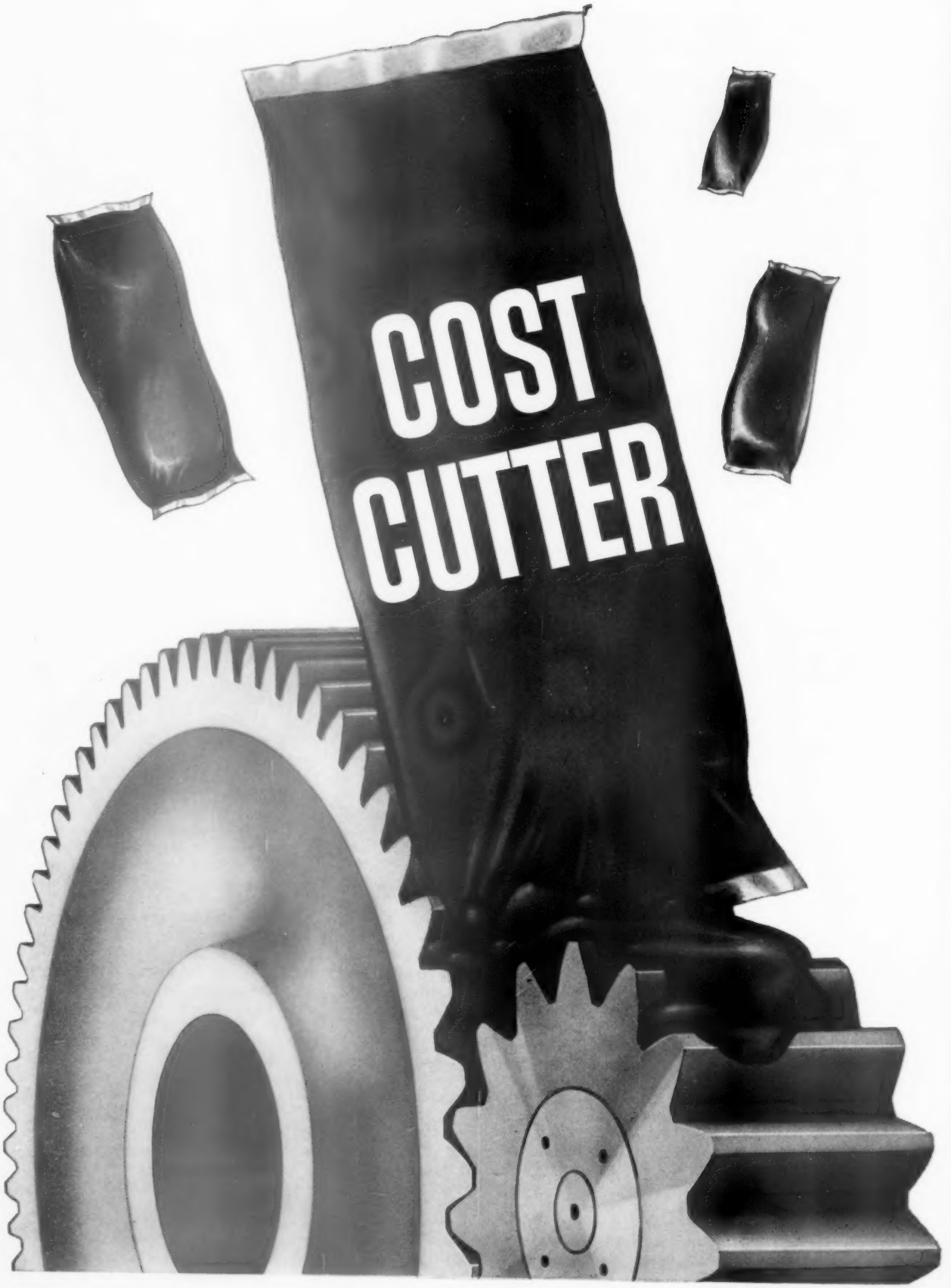
Here is what is happening in current rail transit development in thirteen of our country's larger metropolitan areas:

ATLANTA has just passed the million mark in population and, unlike many cities, is planning ahead to provide for orderly growth in the future. Although Atlanta has engaged in extensive highway planning and construction, it is learning and recognizing that auto-dominant highway systems can never be adequate to meet rush hour needs if the city is to continue its dynamic growth. Preparatory to the drafting of specific plans, it is investigating and studying different transit schemes, ranging all the way from elevated bus roadways to standard subways and monorail.

BOSTON has seen the collapse of its once-extensive railroad commuter network within the past three years, while the state continues to press a mammoth program of express highways. Although the Metropolitan Transit Authority has a rail transit network serving the central part of the metropolitan region, it has not been able to expand as rapidly as railroad services have been discontinued. One interesting current development is the emergence of a "do-it-yourself" plan for suburban service whereby several suburban communities plan to operate their own suburban service over the tracks of the New York Central's Boston & Albany lines.

CHICAGO has been sustaining an aggressive program of transit modernization and highway-rail transit coordination. The city's experiences with its new subways have underscored the extreme importance of noise controls for subway rail transit. Research and progress are continuing as the CTA conducts its current experiments with different transit truck designs as part of its efforts to design a transit car having superior operating, ride and noise characteristics, particularly at high speed. The role of adequate planning is illustrated by its experience with the Congress Street Expressway transit route which has proved less popular than anticipated—in spite of its high speed and excellent operating char-

(*Continued on page 40*)


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Sinclair originated the Poly-Bag for traction motor gear lubrication. The bags are filled with rich, rugged Pennsylvania oil that cushions and protects traction motor gear teeth, fights wear and reduces excessive electrical loads.

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PASSENGERS AT THE CROSSROADS (*Continued from page 37*)

acteristics—because of the long distances passengers must walk to reach the trains; it is physically a little too remote from its market.

In the suburban area, the continuing highway expansion program, the absence of planning for rail transit, and the decentralization of population and employment which follows in the wake of massive highway programs, are bringing a gradual but definite weakening of the area's once-famous rail suburban services. Although the North Western and the Burlington, by aggressive management and major re-equipment programs have been able to stem the tide, they have not been yet succeeded in reversing it—in part because their services are being gradually isolated by the continuing and all-pervasive community emphasis on highway planning. The Rock Island, Illinois Central, South Shore, and Milwaukee Road are suffering from the same problem, with their services gradually but effectively being "planned out." (As Gilbert Burck describes it in the current issue of Fortune, "The trouble is that the American consumer, in deciding between private and mass transportation, has for years been presented with a market rigged in favor of using his own car in city traffic.")

PITTSBURGH is engaged in a major urban redevelopment and revitalizing program, but is suffering from a lack of transportation planning and action. Although there has been much highway building activity, the hilly location of the city makes full highway development both difficult and expensive, and puts a premium on good land. The Pennsylvania has offered the use of its tracks for a public suburban transit development program. There has been much talk but little action.

PHILADELPHIA continues to lead with new developments. The city's subsidized Passenger Service Improvement Corporation has brought lower fares and improved suburban rail service to several parts of the city by means of a constantly expanded and improved program. The city is arranging for the purchase of 52 electric MU cars for operation by the Reading and PRR on the city's PSIC services, the electrification of one line used for PSIC services, and the construction of a turnaround facility on another.

A complete re-equipment program for the Market-Frankford elevated has just been completed. Studies are currently under way looking toward extension of the Broad Street Subway north and south.

The suburban communities have started a "back-to-rail" movement of their own, led by Montgomery County, and are developing a program of public planning and financial assistance to insure continuation of rail suburban operations. This program contemplates the purchase of new equipment.

The Delaware River Port Authority has agreed to construction of a new high-speed transit line linking suburban New Jersey with Camden and downtown Philadelphia. The project now goes to the Pennsylvania and New Jersey legislatures for bi-state approval.

NEW YORK CITY with its vast metropolitan region, spreading over three states, is churning with plans and discussion on how to save its fast-crumbling network of suburban rail services. But for all of the discussion, and the length of time it has been going on, there has been comparatively little action.

Transit has been receiving major attention from the city itself with its continuing program for modernization of its extensive subway system. With the equipment renewal program well under way (but far from completed) attention is being turned to new tunnel construction so as to provide increased downtown peak capacity and improved operational flexibility, and to the possibilities of automated operations.

A modest New York State suburban railroad equipment renewal program is beginning to move after two years of negotiation and seeming inactivity. The state is also moving to bring about reductions in its high railroad taxes in return for improved suburban operations, which may open the door for some modernization and improvement of the railroad's aged suburban service plants.

New Jersey has been helping its railroads with a cash subsidy program which is, so far, inadequate to offset existing operating losses and has no provision for needed modernization and improvement of the basic plant. Because the program has no continuing source of funds, its future course is uncertain.

Responding to mounting public pressure, the Port of New York Authority has reversed its stand in opposition to cross-Hudson rail transit development by indicating a willingness to purchase and rehabilitate the Hudson & Manhattan. The plan is currently stalled by a squabble between New York and New Jersey as to how it should be handled and as a result cannot be activated for at least another year.

SAN FRANCISCO is moving slowly but continuously ahead on its plan for the construction of an all-new 123-mile transit network. One hurdle has been crossed in obtaining approval to use excess revenues of the Bay Bridge to help finance the proposed transit tunnel. The bond issue which will be used to finance the first stages of construction will go to the voters within the next year. If it is approved, the San Francisco program will be under way.

LOS ANGELES, the classic example of the "modern motor-oriented city," is slowly but surely moving toward construction of a new 150-mile transit system to ease its mounting traffic jam and to permit more intensive population development. Implementation of the plan has been delayed by continuing squabbles over what mechanical system should be used, with monorail and cement-rubber advocates pressing hard to prevent selection of a conventional two-rail transit system. The shortage of good rail transit technical information, and of skilled rail transit technicians has contributed measurably to the delay.

WASHINGTON is moving slowly but steadily forward on a plan to create an integrated public transportation system for the whole Capital District (including nearby Virginia and Maryland) which includes trunk rail transit lines. Planning is expected to move into advance stages this summer and fall with construction starting sometime next year.

MIAMI is just beginning to grapple with transit problems. The 90-mile strip from Palm Beach to Homestead is now heavily urbanized, and interest is just beginning to turn to the possibilities of a high-speed "suburban transit" network to link it together.

ST. LOUIS is studying plans for improved downtown transit. Although present plans call for special elevated bus highways, the matter is not settled.

NEW ORLEANS has a special problem because of the limited land area which can be used to support the city. A transit renewal program is under way, although it has been seriously hindered by the proponents of monorail schemes.

CLEVELAND is pressing ahead with its plans for transit expansion, with much discussion as to whether a much-needed downtown subway loop or a lighter-density airport extension will be the next step. The suburban communities to the east have started speculating about the possibilities of a suburban rail transit program, but have no specific plans.

Fast Switching Keeps These Cars Busy

The Burlington and the Northern Pacific achieve exceptional utilization of their Slumbercoach pool during the summer travel season. With the help of the operating department's split-second switching at Chicago, the eight-car fleet, in effect, does the work of nine cars.

As Burlington's "Denver Zephyr" noses into Chicago Union Station each morning a switch engine moves in to cut out the Slumbercoach from mid-train and rush it to the 14th Street Coach Yard. Here the car gets a thorough going over—inspection, servicing and supplies, plus a spruce-up as it passes through the track-side car washer. Less than three hours after arrival at Chicago the car is back at Union Station ready to be placed on NP's waiting "North Coast Limited" for a run to Seattle.

A SLUMBERCOACH SCHEDULE

Sunday	Leave Chicago 12:10 p.m. "North Coast Limited"(NP)
Tuesday	Arrive Seattle 7:30 a.m. Leave Seattle 1:30 p.m.
Thursday	Arrive Chicago 1:45 p.m. To Coach Yard for washing, inspection and servicing. Leave Chicago 5:00 p.m. "Denver Zephyr" (CB&Q)
Friday	Arrive Denver 9:00 a.m. Leave Denver 1:10 p.m.
Saturday	Arrive Chicago 9:20 a.m. To Coach Yard for washing, inspection and servicing. Leave Chicago 12:10 p.m. "North Coast Limited"(NP)

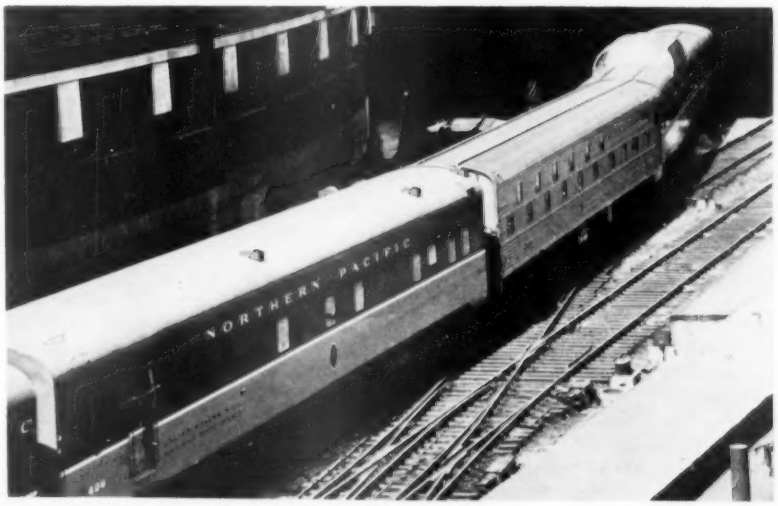
This switching chore is reversed beginning at 1:45 p.m. when the eastbound "North Coast Limited" completes its Seattle-Chicago run. The Slumbercoach from this train must be doubled to the westbound "Denver Zephyr." The switch crew has three hours and 15 minutes to move the car to the Coach Yard, where it is inspected and readied for the trip to Denver.

This sleight-of-hand operation produces amazing results. Most important is that five of the Slumbercoaches in the CB&Q-NP pool are made to do the work of six that are required for the daily Chicago-Seattle service. The Slumbercoach leaving Chicago on Sunday's "North Coast Limited" returns to Chicago too late to be used in Thursday's consist. The eastbound "Denver Zephyr" Slumbercoach fills the gap and is then replaced by the car on the late arriving "North Coast Limited."

The split-second timing of the switching operation at Chicago also permits the two roads to utilize their Slumbercoaches in revenue service 90% of the time during the peak travel season. Layover time of the busy Slumbercoaches has been cut to less than 17 hours a week. Each of the eight cars carries passengers more than 150 hours in an average seven-day period as they alternate between the NP's Chicago-Seattle service and the Burlington's Chicago-Denver run.



IN AT 9:20 A.M.: Slumbercoach Silver Rest is taken from consist of Burlington's "Denver Zephyr" as it arrives at Chicago. After passing through car-washer Silver Rest will be inspected and serviced for next trip at the Coach Yard.



OUT AT 12:10 P.M.: NP's "North Coast Limited" snakes out of Chicago Union Station en route to Seattle with Slumbercoach Silver Rest trailing an RPO car. Only a 2-hour, 50-minute layover for the Silver Rest.

What Are Passenger Questions?

A forum for railroaders who want to explore questions of importance to their industry, this department welcomes both questions and answers from readers at all levels of responsibility in the industry and associated fields. We'll pay $10 to any reader submitting a question that forms the basis for a column discussion. Address correspondence to Question and Answer Editor, Railway Age, 30 Church St., New York 7, N. Y.

To the Question and Answer Editor:

Here are my answers to the questions listed on page 38 of Railway Age for May 1:

(1) Do sharply reduced round-trip coach fares actually produce additional net revenue?

On the Baltimore & Ohio we have found that reduced round-trip coach fares *do* produce additional net revenue. As example, on our Baltimore-Chicago line such fares were established in January 1960. For that year our revenue in coach sales showed a gain of nearly 37% as compared with the previous year. Similar fares were established on the entire line from Baltimore to St. Louis the latter part of May 1959. Revenue on that line rose over 36% for a one-year period. In other words, while we sharply reduced the cost of round-trip coach tickets, our overall coach revenue for all types showed a healthy rise.

(2) Do coach sleeping cars actually produce more revenue per car-mile than standard sleeping cars?

On a car-for-car basis, Slumbercoaches actually produce more revenue per car-mile on the Baltimore & Ohio than do standard sleeping cars. The capacity of a Slumbercoach is nearly double that of a sleeping car as far as total passengers are concerned, and we average in our Slumbercoaches approximately 34 persons, as compared with slightly over 12 in sleeping cars. On this basis the Slumbercoaches produce a per car-mile revenue nearly double that of a standard sleeping car.

(3) Do they really attract new business or do they simply downgrade passengers already using standard Pullman accommodations or upgrade passengers already traveling in coaches?

From surveys regularly conducted among Slumbercoach passengers we have encountered very few cases where passengers who ordinarily use regular sleeping cars have switched to Slumbercoach space. As a matter of fact, our March survey showed that 47% of passengers in the Slumbercoaches indicate they would have used other means of transportation had such cars not been available.

(4) Do special low-cost dining car meals tend to reduce dining car losses?

That has not been our experience on the B&O.

(5) Do they actually, of themselves, induce more passengers to use rail service?

We do not feel such meals have induced more passengers to use B&O. —*Edward H. Riecks, general passenger agent, Baltimore & Ohio.*

To the Question and Answer Editor:

In reply to Question No. 1 [above] our comment is that reduced round-trip coach fares can, under the most favorable circumstances, actually produce additional net revenue. It is important to note, however, that there may be wide differences in results from offering incentive coach fares. Where heavy advertising costs are incurred and extra service is involved, producing substantial additional transportation expenses, it is possible to haul additional passengers but end up with less cash in the till. Also, it is important that the customers attracted be legitimate "new business" and not merely regular fare passengers traveling at reduced fares.

Generally speaking, our more successful experiments along this line have involved offerings proven repeatedly attractive to the public over a period of time without producing large increases in out-of-pocket expenses. We shall continue our experiments in this field where experience tells us there is a reasonable opportunity to pick up additional net revenues without taking undue risk.—*E. R. Comer, general manager, passenger sales, Pennsylvania.*

To the Question and Answer Editor:

Conditions affecting passenger operations vary by railroad and geographic area. On the Burlington these have been our findings:

Reduced fares are an important factor in increasing passenger revenues. Many passengers attracted to the trains by reduced rates would otherwise have traveled by bus or private auto. Especially is this true of passengers handled on school or other reduced rate excursions, and this traffic is invariably accommodated in coaches that otherwise would be idle.

The proof of the pudding is in the eating so far as Slumbercoach operations are concerned, and the Slumbercoach success story can best be appreciated in terms of its financial results. They are among the relatively few Pullman-operated cars on the Burlington system which produce a profit. Our surveys show that Slumbercoach passengers have been attracted from other modes of travel. Former coach passengers are being upgraded by exposure to the luxury of sleeping aboard a train. We find that few Pullman passengers have reverted to Slumbercoach travel.

Low cost dining car meals, in our opinion, do not tend to reduce dining car losses except when serving meals at off-peak hours permits use of fewer dining car employees as a result of a more evenly spaced dining period. Nor do we think that low cost meals in themselves induce passengers to use the train over other forms of travel.—*W. F. Burke, general passenger traffic manager, Burlington Lines.*

To the Question and Answer Editor:

My *personal* opinion is that one of the main things in which traffic or passenger sales officials should take a deep and continuing interest is promotion and costs. In the field of promotion, there is a great deal to be done for the industry to capture a much larger share of the ever growing travel market, whereas in costs there are substantial measures which can be implemented to reduce considerably the cost of operating passenger train services. There is much to be said in favor of simplification so that it will become easy for the public to buy rail transportation and easy for ticket salesmen to sell. Tariff and ticketing simplification, elimination of the first-class fare, simple liberal plans, among other things are all part of this. Then, I think, incentive pricing plans are very worthwhile instruments to be used with wisdom. . . . *Pierre Delagrave, general sales manager—passenger, Canadian National.*

..provide
mile after mile of
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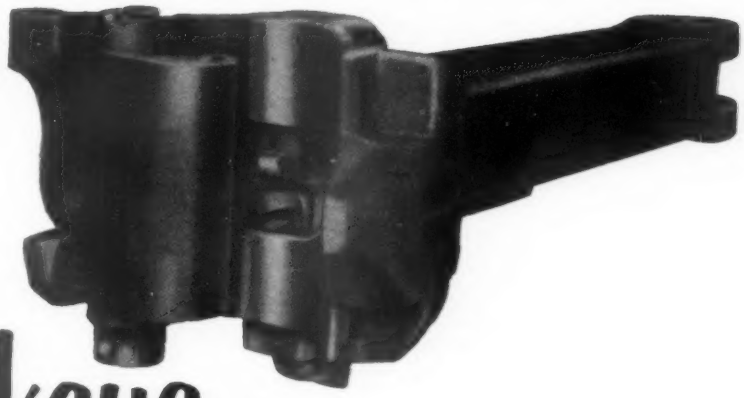


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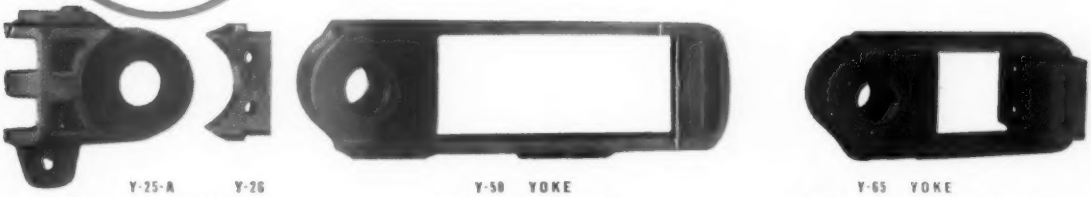
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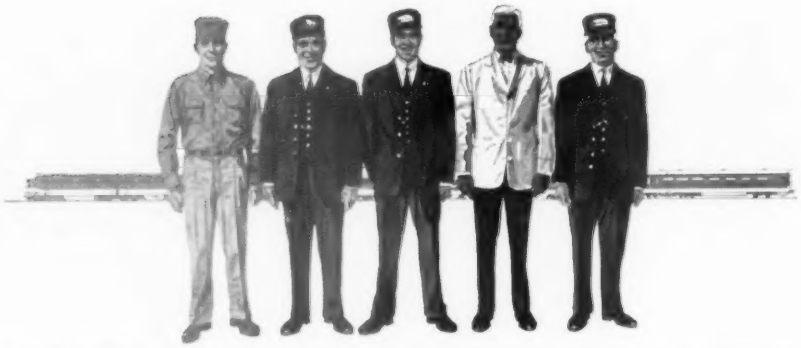
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I am sure more of us would go by train if we could look forward to the type treatment we had on The Humming Bird.

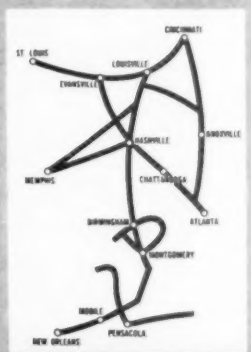
The food in the diner was excellent and that complementary cup of coffee the waiter served me in my roomette was absolutely "the most."

We enjoyed our trip very much. Thanks for sending us on The Pan; we were about to drive.

I have not at any time before received the special attention that was accorded me on The Pan-American.

May I tell you how much I enjoyed my rail trip to Cincinnati? My trip was highlighted by the courtesy of everyone on the Pan-American.

The accommodations on both The Georgian and The South Wind were excellent, and your red-carpet treatment for the return trip was both unexpected and gratifying.



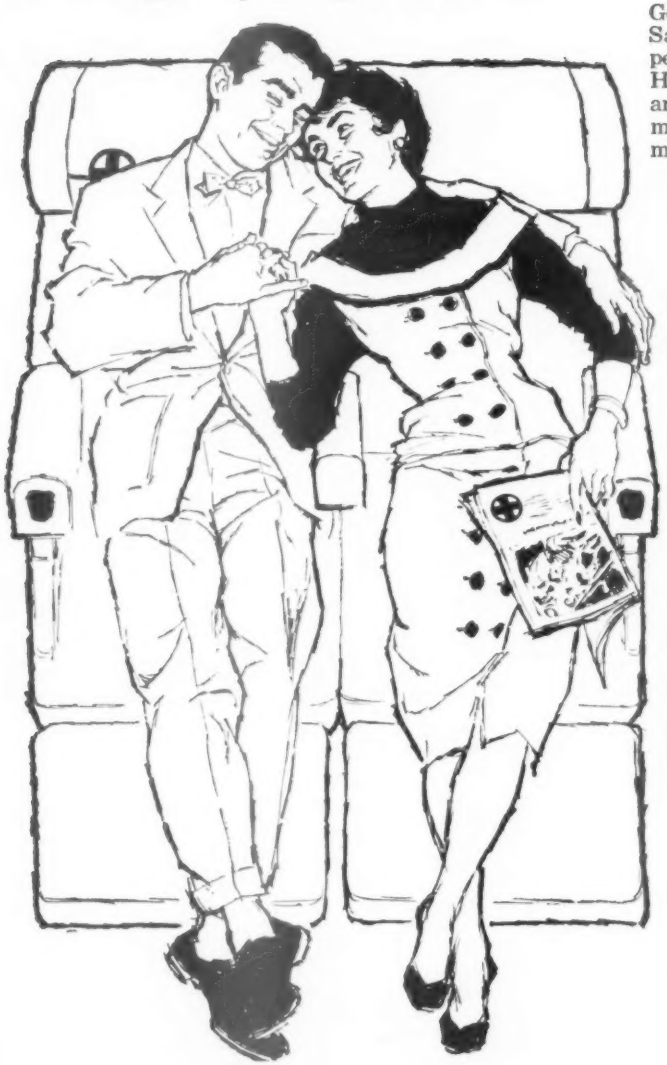
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NEW FACILITY houses the road's division freight and passenger agents and the city ticket agent.

Santa Fe Opens Transport . . .



PASSENGER LOUNGE, ticket office and division passenger offices occupy the main floor of the structure.

. . . Center in Downtown Oakland



FREIGHT OFFICE is on the second floor, which has equipment for Teletype contact with all AT&SF stations.

The Santa Fe has opened its new Transportation Center in Oakland, Calif.

The facility, in the downtown area at 2040 Telegraph Avenue, is readily accessible from any point in the Bay area. It also is close to the proposed on-off ramps of the MacArthur freeway currently under construction.

The new building consolidates under one roof all Santa Fe's traffic offices in Oakland. In addition to the city ticket offices, previously at 40th Street and San Pablo Avenue, the structure houses the offices of the division freight and passenger agents. Other features include a passenger lounge, baggage-handling facilities and equipment for maintaining direct Teletype contact with all Santa Fe stations.

The lounge is used by passengers waiting to board buses which transport them to trainside at Richmond, Calif., approximately 11 miles away. The buses provide a shuttle service for Santa Fe passengers that operates from the Richmond station through Oakland and across the bay to San Francisco. The new ticket office is an intermediate stop on this route.

The Transportation Center is a two-story structure, 40 ft wide and 80 ft long. It was designed by Marshall Welch McDonald, an Oakland architect, who used extensive areas of plate glass in the exterior walls to create a light, spacious atmosphere inside the building. Interior decor was chosen to enhance this effect. The exterior is painted white with blue and silver trim. The roof is painted with alternate grey and turquoise stripes.

RRs Oppose CTA Subsidies

► **The Story at a Glance: Chief executives of the principal Chicago commuter railroads have reaffirmed their determination to remain in the commuter business and have opposed granting public subsidies to the Chicago Transit Authority through additional gasoline and property taxes.**

Chicago rail leaders stated their objections to CTA's plan to obtain sweeping subsidies in a joint letter to four influential civic organizations that had earlier agreed on a proposal for limited public assistance for Chicago's mass transportation facilities. The letter also asked the Chicago Association of Commerce and Industry, the Civic Federation, the Central Area Committee and the Chicago Real Estate Board to support the railroad position.

"It is our view that the users of public transportation should pay for the cost thereof and consequently we oppose public subsidies for the CTA through the imposition of gasoline or property taxes.

"The Chicago commuter railroads have publicly stated from time-to-time that they want to continue in the commuter business and several have backed up this commitment with the expenditure of millions of dollars to improve their service during the past few years.

"The Chicago commuter railroads are prepared to continue providing adequate commuter service for the Chicago metropolitan area and will continue to provide such service if they have the support of the business community through civic groups such as yours. The extension of CTA service such as is contemplated by the proposed legislation will have a serious impact upon the ability of the Chicago commuter roads to continue adequate service on a self-sustaining basis. This in turn inevitably will result in a decrease in the service and an increase in the cost thereof."

The letter was signed by Harry C. Murphy, president, CB&Q; William J. Quinn, president, Milwaukee; Ben W. Heineman, chairman, C&NW; R. Ellis Johnson, president, RI; and Wayne A. Johnston, president, IC.

Object of the rail leaders' opposition was a CTA attempt to gain legislative approval of a five-point subsidy proposal (RA, May 8, p. 32). The Transit Board is asking for power to issue 20-year general obligation bonds to finance purchase or construction of additional transit facilities and parking garages. This would include construction of a $39,000,000 rapid transit facility in the median strip of Chicago's Northwest Expressway in direct competition with existing rail facilities. The Authority also wants to take over the ailing Chicago North Shore & Milwaukee and resume operations on the defunct Chicago, Aurora & Elgin.

CTA proposes a .05% property tax to support the bond issue and has suggested abating this tax with a one-cent a gallon county-wide gasoline tax. Funds from the motor fuel tax would also be used to provide $28,000,000 to modernize existing CTA facilities as well as to maintain and offset any operating deficits on interurban lines that might be acquired by the Authority.

The Transit Board also wants the state to reimburse it for part of the cost of transporting school children at reduced fares.

Limited Subsidy Backed

The appeal of the commuter railroads did not go unheeded by the business community. Chicago Mayor Richard J. Daley had been working with the CTA and the four civic organizations in an attempt to gain agreement on a unified proposal to bring to the state legislature. Early last week, following a three-and-a-half-hour meeting, the civic groups broke off negotiations with the Transit Board and decided to push their own limited subsidy plan. One of the businessmen who attended the meeting said, "We reached some semblance of agreement but were too far apart at this late date to do anything with this session of the legislature." (The Illinois Legislature ordinarily adjourns on July 1 since any legislation passed after that date will not become effective until the following July). The same spokesman called the CTA proposals "a rehash of the old program of two years and four years ago."

CTA's decision to press for higher subsidy has resulted in a loss of public support for its program and has stirred a climate of active opposition. Illinois lawmakers will be asked to consider two differing proposals to improve Chicago's mass transit facilities.

The four civic organizations proposed to submit bills calling for state funds to finance the modernization of existing CTA facilities. They feel this is "urgently needed in the interest of safety," but disagree with the Transit Authority on how to raise the $28 million needed to do the job. The business groups see "no reason for additional taxes" but support a balanced formula to raise the money from existing real estate, motor fuel and retail sales taxes.

The associations agree with the CTA proposal that the state reimburse the Transit Authority for losses incurred in carrying students at reduced fares and have included this request in their program. From this point the CTA legislative program must go its own unsupported way. The business groups and the commuter railroads are against granting subsidies to cover deficits or for maintenance or operating expenses. They both oppose any plan to give the CTA any taxing powers.

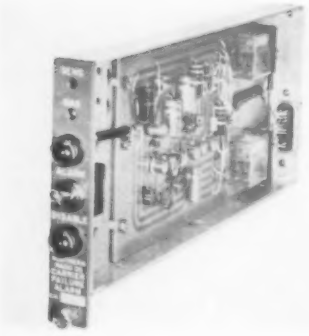
The four civic groups will also ask the legislature to defer any further capital improvements or extension of CTA services pending the results of two studies looking into the future of Chicago transit needs. C&NW and CTA are jointly underwriting an independent survey of the transit picture in the northwest suburban area, and the civic groups are asking for a $250,000 state grant to empower the Northeastern Illinois Metropolitan Area Planning Commission to undertake "a long-range overall review of the transportation needs of the entire area."

In addition to asking for limited help for the Chicago Transit Authority, the civic groups are lending support to legislation aimed at giving commuter railroads more flexibility in scheduling services and setting fares. The Illinois Railroad Association has submitted bills in the current session of the state legislature which would authorize suburban railroads to make service adjustments and fare changes on short notice but subject to review by the Illinois Commerce Commission (RA, Jan. 23, p. 29).

Chicago's business community has also announced its support of proposed legislation that would give railroads more equitable tax treatment. Illinois railroads now pay nearly twice as much in taxes as other property owners pay per dollar of actual property value. It is doubtful that a tax equity bill will be introduced in this session since final action is pending on litigation by three railroads seeking relief from excessive property taxes.

The state revenue department has appealed a recent decision by the Illinois Supreme Court permitting railroads to take legal action to recover alleged overpayment of taxes. The final decision on the appeal will determine the tenor of legislative relief to be sought.

NEW PRODUCTS REPORT



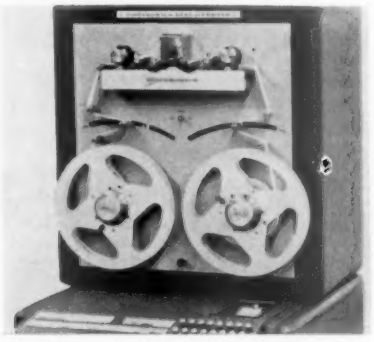
Carrier Failure Alarm

The carrier failure alarm, type 256, model 1, is used in communication systems to provide an indication in the event that the carrier signal fails at the receiving terminal of a tone telegraph system. It also provides a coupling stage between the normal output circuit of the receiving signal converter and a multiple contact output relay. A separate carrier failure alarm unit is used for each telegraph channel being monitored. The carrier failure alarm, a completely transistorized unit, contains two sections. One detects the presence and absence of a tone signal in the channel being monitored. The second section acts as a "repeater" of the normal output signal of the associated signal converter. Alarm circuitry is "fail safe" in that loss of signal from the associated tone signal converter for any reason, including failure of the power supplies of the signal converter, will activate the alarm condition. Nine alarms and two power supplies fit in a 19-in. rack. *Northern Radio Co., Dept. RA, 143-5 West 22nd St., New York 11, N.Y.*



Voice Frequency

The series 2056 AM and FS audio terminals are transistorized multiplexing equipment. AM channels may be intermixed with FS channels and various combinations of both types of receivers and transmitters are accommodated for conventional rack mounting. The 2056 series of AM tones was designed to meet low speed tone signaling and control requirements when low noise lines and inherently low noise communication circuits, as provided by microwave and voice carrier equipments, are available for transmission. The 2056 series of FS tones are used when ultimate reliability and high speed keying is required. They can be used in circuits which are inherently noisy and which are subject to fading conditions. The FS tones are available with either two or three frequency outputs, the former being employed in normal signaling and control circuits, whereas the latter is used in two-function single channel applications. Ten terminals and a power supply fit in a 19-in. rack. *Radio Frequency Laboratories, Inc., Dept. RA, Boonton, N.J.*



High-Speed Data Transmission

Transmission of data at 1,000 words per minute, complete with error-checking facilities, is achieved over telephone lines. The Dial-o-verter system, demonstrated this week between Denver and New York, works in conjunction with digital subsets. Dial-o-verter can transmit data between any combination of punched paper tape, magnetic tape or punched card terminals. For example, data can be taken from a paper tape and transmitted to the receiving end where it is put on magnetic tape.

For paper tape operation, the reader operates at either 100 or 150 characters per second, and the punch at 100 characters per second. For punch cards, the receiving terminal can punch 100 cards per minute, and as a transmitter it can read 75 to 100 cards per minute. The magnetic tape terminal can receive 150 characters per second and transmit 100 to 150 characters per second.

To separate out individual records of a paper tape file, a paper tape distributor drives up to six output paper tape punches. *Digitronics Corp., Dept. RA, 10 East 40th St., New York 16, N.Y.*

Photocopier

The A. B. Dick Photocopier Model 101 makes photoexact, permanent copies of correspondence, forms and other documents that will not fade due to heat, light or age. A dial-controlled variable shutter determines proper exposure setting on the lightweight, easy-to-clean, 12- by 6- by 19-in. photocopier. The Model 101 has maximum paper size and exposure area nine inches wide. *A. B. Dick Co., Dept. RA, 5700 W. Touhy Ave., Chicago 48.*

Transistor Repeater

Transistorized high-speed telegraph and data repeaters are capable of operating beyond 180 bits per second without distortion. If a small amount of distortion is tolerable, repeater operation above 400 bits per second is possible. Each repeater is designed for a specific type of circuit and may be inserted in any part of a telegraph line or loop. *Trepac Corp. of America, Dept. RA, 30 W. Hamilton Ave., Englewood, N.J.*

Automatic Spike Driver

A new machine is available which sets spikes automatically for driving, nips the ties and drives up to four spikes simultaneously. Designated the Auto-Spiker, it is stated to be the most advanced version of the RMC Spike-Master and to completely eliminate hand setting of spikes. The unit is equipped with a magenetic spike holder which automatically retracts. *Railway Maintenance Corporation, Dept. RA, Pittsburgh 30, Pa.*

NYC Plans Intensive Use For New Sleepercoach Fleet

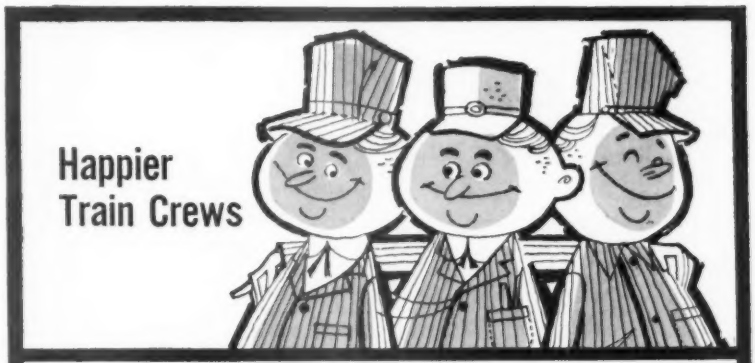
New York Central late this year or early next will take delivery of 10 new Sleepercoaches being converted from roomettes (RA, April 24, p. 10). The line will then have a fleet of 14 of the Budd-designed coach-fare, private-room sleepers. The new cars have space for 36 passengers rather than 39, but are otherwise like the four Sleepercoaches NYC already has.

"We're keeping our passenger service up-to-date," says NYC Assistant Vice President, Passenger Sales & Service, W. R. Main. "The Sleepercoach is the compact car of the railroad industry," Mr. Main adds. "The American public is fed up with buying status. A lot of people who would be willing to go to Chicago in a sleeping car for $49 wouldn't consider it for $84. The Sleepercoach at only $7 more than coach fare is putting us in competition with air coach fares at every point on our railroad."

New York Central is spending over $1,000,000 on converting the ten surplus 22-roomette cars into Sleepercoaches, Mr. Main notes, and adds that, "We wouldn't be doing this if we didn't see a profit in it." It's a matter of simple economics, Mr. Main points out. The overall average occupancy of the four Sleepercoaches NYC acquired in 1959 held up to 90% all through the year 1960. "The costs that are killing us in standard sleepers with seven passengers aren't so bad in a Sleepercoach with 36," Mr. Main remarks.

"I hope," he adds, "that we'll find with all ten of the new cars in service, a greater acceptance of the idea of sleeping while traveling." It is already true, he adds, that it is easier to sell people a 16-hr overnight service between New York and Chicago than it is to sell an 8-hr daylight service between New York and Buffalo. "I foresee in the near future," Mr. Main adds, "that the bulk of our intercity passenger business will be late-afternoon departures, early-morning arrivals." For this, the Sleepercoaches are very well suited, he points out.

Most of the new cars will go into New York-Chicago service rather than into service between intermediate points, Mr. Main says, because that permits the most efficient utilization of the cars' cubic volume. The fixed charge for space, Mr. Main says, is an attempt to get away from the outmoded concept of charging for sleeper space as a function of car mileage. "It's not," Mr. Main asserts, "it's a function of providing space utility." He adds: "We're getting the cars to carry people the longest possible haul."







We've engineered a lot of creature comfort into International Cabooses. It makes for a happier and far more efficient crew. And we've built a lot of quality into them, too. They'll take the gaff of high-speed, long train operation for years on end. You know what that adds up to. Low maintenance costs. Less down time. Higher earnings. Happier management. You get all these features from any International Caboose whether it be a standard model or custom built. Want the specifics? Write International Car Division, 2485 Walden Avenue, Buffalo 25, N. Y.

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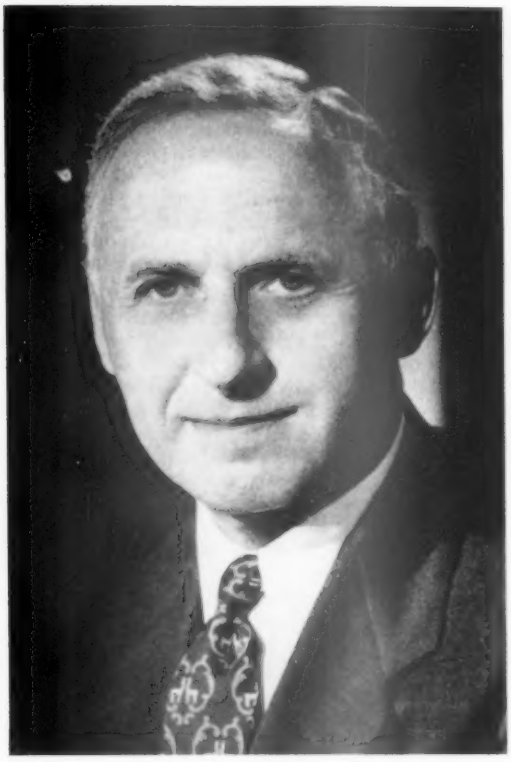


From Seaboard Air Line Railroad Company's 1960 Annual Report:

"Passenger revenues for 1960 were higher than for any year since 1952. Summer travel to Florida in 1960 was the largest since 1947 and is indicative of the popularity of the package tours which have been aggressively promoted by your Company. These package tours combine special reduced rail fares and hotel rates and have done much toward establishing Florida as a year-round vacation area."



THE ROUTE OF COURTEOUS SERVICE



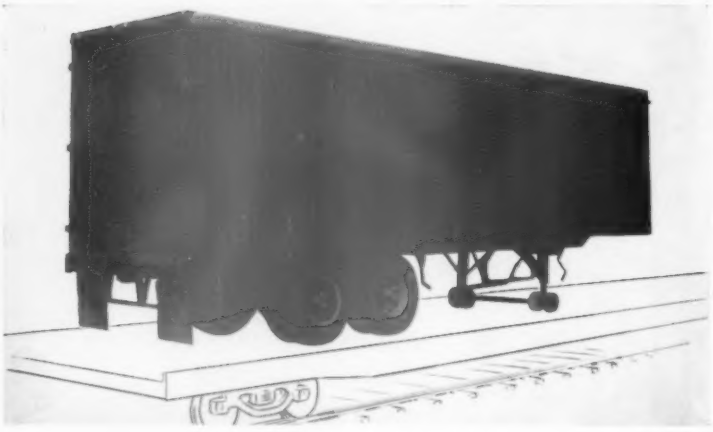
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Canada Aims Incentive Fares At New Rail Passenger Sales

Discount fares on rail passenger travel have been available in Canada since March 1 (RA, March 6, p. 7). Aimed at making it possible for railroads to compete effectively for business and personal travel, the new reduced fare program was put into effect in joint action by Canadian National and Canadian Pacific.

The discount fares are available for two or more persons traveling together, for all classes of travel, on all days of the week, at all points in Canada. The program—initially in effect between March 1 and May 31—is described as an experiment "to determine the effect of low fares on the travel market, to attract to the railways budget-conscious travelers and to stimulate off-season railway travel."

The discount plant offers a flat reduction of 40% for the second and each additional person traveling in a group. For travel between two points where the round trip fare is $100, for example, the second member of the group adds only $60 to the total cost, the third another $60, and so on. For a group of four, the total fare would be $280, or $70 each.

The fares are applicable on return trips where the regular individual return fare is $7.50 or more. Where "All-Inclusive" prices are available, the discounts also apply to the "All-Inclusive" rates.

Reductions in the "All-Inclusive" prices—which include sleeping accommodations, meals and tips—apply to all classes of rail travel; first, tourist and coach on transcontinental service and first and coach classes between Montreal and Moncton-Halifax and Montreal and Saint John-Halifax.

On a coach round-trip between Montreal and Vancouver under the "All-Inclusive" plan, the single fare is $160. Two persons traveling under the discount rate would pay $256 and save a total of $64. Three persons traveling together would pay $352, for a total saving of $128, or $42.67 apiece.

Short trips benefit from discount rates too. Single fare for a coach round-trip between Montreal and Toronto is $24.35. Two persons traveling together would pay $40 and save $8.70, while three persons could make the trip for $55 and save a total of $18.05.

A flexible feature of the discount plan is that, while members of a group must travel together to their destination, they may return separately. Also, there are no restrictions as to days of the week; the discount rates are good all seven days of the week.

GE Wins Golden Spike Plaques

The Locomotive and Car Equipment Department of the General Electric Co. has been named winner of the 10th annual Golden Spike Awards competition which is sponsored by the Association of Railroad Advertising Managers.

Presentation of the awards took place at ARAM's annual meeting last week in New Orleans.

John N. Ragsdale, advertising manager of the Association of American Railroads, presented Golden Spike plaques to Daniel C. Kaufherr, vice president, Gotham-Vladimir Advertising, Inc., New York and L. F. Howard, GE's southern representative on metropolitan transportation, Atlanta, representing respectively the Locomotive and Equipment Sections of the department winning the competition.

The winning entry included newspaper and magazine advertisements by the Locomotive Section and a television commercial on urban transportation—submitted by the Equipment Section—which was used on the General Electric Theater program.

The award is presented annually to the advertiser outside the railroad industry who is judged to have made the most outstanding contribution through advertising to a better understanding of American railroads.

Seventy-six companies participated in the competition. Certificates of Merit went to the American Car and Foundry Division of ACF Industries, Inc., New York; Cluett, Peabody & Co., New York; Pullman-Standard, Chicago; and Schweppes (U.S.A.) Ltd., New York.

New officers elected at the ARAM meeting were Mr. Ragsdale of the AAR, president; G. V. Frederick, advertising manager, Baltimore & Ohio, first vice president; G. F. Link, advertising manager, Burlington, and J. M. Hagen, assistant advertising manager, Great Northern, vice presidents; and P. G. Beach, advertising manager, Union Pacific, treasurer.

Among the speakers at the meeting was Thomas A. Nooner, Jr., vice president of Railway Progress Institute, who announced that RPI is now sponsoring the annual Golden Freight Car Award which Modern Railroads originated several years ago. The award is presented for outstanding freight-traffic promotion.

RAILROADING AFTER HOURS WITH JIM LYNE

SELECTIVE RATE-MAKING—Professor Newt Morton at Kent (O.) State University contends that the ICC has changed its rate regulation very little as a result of the enactment of the 1958 rule of rate-making—Sec. 15 a (3) of the Interstate Commerce Act. When it comes to "selective rate-cutting," he wants to know what the traditional class rate system is except out-and-out differential (or discriminatory) pricing.

The opponents of "selective rate-cutting" are trying to make an innocent practice sound sinful by the horror-stricken tones in which they say the words. It reminds me of the story of the rich and ignorant old man who was about to leave his money to a certain college—call it A. The head of a rival college—B—called on the old guy and said: "Do you realize that the boys and girls at A college matriculate together?"

"If that's the case, A college will get none of my money," said old Mr. Croesus. I think the railroads should not only admit "selective rate-cutting" but boast about it.

TOKAIDO LINE—I saw the other day where the so-called World Bank has just lent the Japanese Railways $80 million toward the cost of their brand new Tokaido line—which gives promise of being the world's most modern and intensively developed railroad, when it's completed in 1964. It will serve the country's most intensively developed area—length 311 miles. It will be standard-gage and have no connection with other Japanese railway lines. It will have no industry sidings and next to no yards (all traffic containerized or piggyback).

It will operate at high speed in both passenger and freight service, and expects no trouble at all from competition of other types of transportation. Sounds just a little like a railroadman's idea of heaven.

RUBBER MONEY—I've just seen a tabulation of the inflation which occurred in different currencies in the past 10 years (in the May Letter of the First National City Bank of N.Y.). The value of the U.S. dollar declined 19%, 1950 to 1960, and Canada's dollar lost 20% of its value.

Whose money held up better than ours? Well, the Philippines' money went off only 6%, Ceylon's 7%, Portugal's 8%. Guatemala, Switzerland, Ecuador, Belgium and Germany all suffered less inflation than old Uncle Sam did.

If we keep on raising wages faster than man-hour production (less cost of new machinery) rises, our dollar will keep on going down in its purchasing power. For the sake of pensioners, I hope the unionists will get wise to themselves before too long.

BACK HAUL FOR HEARSES—There's a lot of interest these days, apparently, in trying to find return loads for tank cars—not an arrangement easy to make. Somebody brought one of these proposals to my friend Orie Schultz, chairman of the East's general freight traffic committee, the other day. After some pondering, Orie's observation was:

"Some equipment is just one-way equipment—like a hearse, pretty hard to get back hauls for it."

FAREWELL, BRADSHAW—The famous guide to British railway train services, "Bradshaw's"—equivalent to the U.S. "Official Guide"—is folding up. Apparently it's a question of printing costs, because there's been no startling reduction in passenger service in Britain, nor predominant reliance (as in the U.S.A.) on other kinds of transportation.

CLOSE CALL—I see where the lower house of the Pennsylvania legislature failed by only a few votes to pass a "full" crew bill. Political columnist John Cummings, in the Philadelphia Inquirer, reports that the defection of two Negro legislators (Democratic) caused the failure of the measure to pass. He said the legislators considered it "economically unwise" to enact such a bill at this time. Or, I might add, it would be equally unwise at any other time.

Show Window for Public Opinion

On a taxi ride from the Buffalo Statler to the Erie-Lackawanna station earlier this year, we passed the old Lehigh Valley station. It was the same day that the road's last passenger service was to operate. "The Lehigh's going to quit after today," the driver volunteered. I told him not for freight—only the passenger service would be abandoned. "Oh no," he said, "the whole shebang's quitting. There won't be no more Lehigh."

Well, a lot of people have called passenger service the railroads' show window, and of course it is. And while I don't suppose the cab driver ever did, or ever will, ship a carload of freight, he is among those of the 160 million Americans entitled to a vote. The popular opinion the public holds of the railroads will importantly affect their future. So while nobody should expect the railroads to provide passenger service just to influence public opinion, to the extent that passenger service is operated it ought to be just as good as it can be.

This issue of Railway Age shows the bullish side of the passenger business. It highlights the trains that are operated in such a way that they win public favor—quite a few of them, too. To get the message outside the immediate family, extra distribution of this issue is being made to the top travel agencies that control a lot of traffic, and to editors of the important daily newspapers. A number of railroads still think enough of their passenger service to promote it, too. Eight railroads have advertisements in this issue.

Surely where service is still operated it ought to be done well and it ought to be promoted. If people think you are going to close shop, they are not likely to do much to support you. If they think you are a going concern, holding out to serve them well, they are likely to be strong proponents on your side.

Robert B. Lewis

PUBLISHER

PRR Blasts NYC Merger Maneuvers

Pennsylvania Chairman J. M. Symes charged last week that "at least one roadblock to mergers in the East is the railroads themselves." He aimed his heaviest fire at the New York Central.

Recalling that NYC "backed away from a possible merger with the Pennsylvania" a little over two years ago, Mr. Symes told PRR shareholders at Philadelphia:

"It is apparent now that they [NYC] are very anxious to become involved in mergers and, if they can't, then they will do everything within their power to block or delay them. They seem to think that the Pennsylvania is trying to build a railroad empire so big that it will be difficult for them to compete."

Mr. Symes then detailed the extent of PRR's "empire building."

"The Norfolk & Western and Virginian Railroads merged effective Dec. 1, 1959. Prior to that merger we owned 44% of the Norfolk & Western voting stock. The merger reduced our holdings to 33%. Since then, the Norfolk & Western have applied to the Interstate Commerce Commission for authority to merge with the Nickel Plate (in which we have no ownership), and also lease the Wabash Railroad, with the possibility of acquisition at some later date. Merger with the Nickel Plate would reduce our ownership in Norfolk & Western to about 27%. We own practically all of the common stock of the Wabash, and two-thirds of the preferred stock. Additionally, we propose selling to this new rail system our Sandusky Branch line between Columbus and Sandusky, Ohio, in order to provide a physical connection between the two carriers, as well as providing them with a port on Lake Erie for dumping of coal into lake vessels. The Wabash owns the Ann Arbor and nearly 20% of the Detroit, Toledo & Ironton stock. The remaining DT&I stock is owned outright by the Pennsylvania. These Wabash holdings are not a part of the lease arrangement with the Norfolk & Western. For economic reasons, the DT&I proposes acquisition of the Ann Arbor. Such application for authority will be filed with the Interstate Commerce Commission probably within the next week or so.

"The Pennsylvania and Wabash own 44% of the Lehigh Valley Railroad stock, and that railroad is in serious financial difficulty. They have avoided bankruptcy thus far by government-guaranteed loans—to the extent of about $14 million. Because of our large financial stake in Lehigh (about $64 million) we have offered to acquire all of the stock not now owned by us in order to obtain complete control of that property. We believe by so doing that we will be able to effect economies that might avoid early bankruptcy for this railroad. . . .

"That is the story regarding Pennsylvania Railroad activities in mergers at the moment, and I can assure you that there are no definite plans to go any further. Eventually all of these properties might very well become involved in mergers not now contemplated and if they do they will, of course, have to be approved by the Interstate Commerce Commission."

Mr. Symes noted that both NYC and Erie-Lackawanna have intervened in the PRR-Lehigh Valley proceedings, the latter asking to become a party to the transaction. The E-L request, said Mr. Symes, is out of the question "at this time." NYC's request that PRR stock ownership in LV be trusteed, he went on, is another way of saying "we won't oppose Pennsylvania control providing they don't actually get it."

He also took note of NYC's intervention in consolidation petitions involving C&O-B&O and N&W-NKP-Wabash. He commented: "The C&O do not intend to oppose the Norfolk & Western-Nickel Plate merger—nor do we intend to oppose their application seeking control of the Baltimore & Ohio."

At Roanoke, Va., meanwhile, N&W President S. T. Saunders voiced strong opposition to New York Central's petition that the ICC combine all pending eastern merger proposals for a single hearing.

"In our opinion the Commission should not grant any such petition," Mr. Saunders told N&W shareholders. "To do so would in effect reverse the position which it took in approving our Virginian merger—namely that railroads be allowed to work out their own plans for practical piecemeal mergers rather than be forced to comply with some overall scheme for involuntary consolidation . . ."

He also commented that the Supreme Court has ruled that "one carrier cannot be railroaded by the Commission into an undesirable merger with another carrier."

ICC Opposes Merger-Power Stay

► **The Story at a Glance: The ICC opposes proposed legislation which would suspend its authority to approve railroad consolidations until Dec. 31, 1962, "to provide Congress with time to review the problems arising from the present merger movement." In a letter to Chairman Harris of the House Committee on Interstate and Foreign Commerce, ICC Chairman Hutchinson said the Commission "strongly urges" that Congress "not depart from its past consistent policy of fostering and encouraging those unifications of railroads which meet the tests which it has prescribed."**

The letter puts the Commission on record in opposition to the Railway Labor Executives' Association. Adoption of the suspension proposal is called for as a top priority item of RLEA's 1961 legislative program (RA, May 8, p. 10).

Suspension of its power to approve railroad mergers "might cause serious harm to some railroads," the ICC has advised Congress.

The advice came in a letter which Commission Chairman Hutchinson wrote to Chairman Harris of the House Committee on Interstate and Foreign Commerce. The letter was the Commission's response to Mr. Harris' request for comment on pending resolutions which would suspend the Commission's merger powers until Dec. 31, 1962.

"Suspension of our authority to approve meritorious unifications, shown to be consistent with the public interest," Mr. Hutchinson said, "would unreasonably delay needed relief and would discourage other railroads from going forward with studies and plans directed toward self-help of the kind which they have been admonished to promote."

This statement was preceded by an admonition that mergers "should not be considered a cure-all for all the problems of the railroads." Nevertheless, Mr. Hutchinson added, "there are many situations in which the consolidation of facilities will effect substantial economies, as well as improve service, and promote more sound economic conditions in the industry."

As to specific provisions of the suspension resolutions, Chairman Hutchinson noted first that they would raise a question as to whether all pending merger proceedings would have to be suspended—or whether the Commission could continue processing the cases, "so long as it entered no order of approval."

Of that recitation of the resolutions which says the Commission is "without adequate authority to protect the public interest" in mergers, Mr. Hutchinson said flatly "we don't agree." He insisted that it does consider all pertinent factors bearing on the public interest.

The chairman went on to concede that the Commission is without power to require railroads to consolidate "in such manner as to conform to a preconceived pattern." He then hastened to point out that the "impracticality" of this idea was demonstrated between 1920 and 1940, when consolidation-plan provisions were in the Interstate Commerce Act.

Because it believes that the consolidation provisions, as rewritten by the 1940 Transportation Act and still in effect, are practical and protect the public interest, the Commission thinks, as Chairman Hutchinson put it, that passage of any of the pending resolutions "would turn the transportation clock back 41 years" and thus be "highly undesirable."

Chairman Hutchinson also denied the resolutions' allegation that members of the Commission have encouraged railroad mergers "on any basis, however fragmentary and without regard to their effect upon the long-range transportation needs of the nation."

The status of merger proceedings now pending before the Commission were summarized by Mr. Hutchinson, and he went on to predict only two of these cases were apt to be decided by the end of 1962. The two are Pennsylvania's application for authority to acquire control of Lehigh Valley, and Southern's to acquire Central of Georgia.

"Thus," the letter added, "it would appear that [this] Congress will have adequate opportunity to review the situation before any of the major proposals may be made effective."

A similar letter was sent by Mr. Hutchinson to the chairman of the Senate's Commerce Committee, Senator Magnuson of Washington. It was in response to a Magnuson inquiry like that which the Commission got from Chairman Harris of the House committee.

Johnson Elected Rock Island President



R. ELLIS JOHNSON

R. Ellis Johnson was elected president of the Chicago, Rock Island and Pacific by the board of directors following the annual shareholders' meeting in Chicago, May 8.

J. D. Farrington, Rock Island board chairman, had been serving as president on an interim basis since the resignation of Downing B. Jenks last January.

Mr. Johnson, 51, a graduate of Rock Island's operating department, had been executive vice president and a member of the board of directors since Feb. 1. He joined the Rock Island in 1936 as secretary to the general manager at Kansas City, Mo., after an eleven-year stint with Missouri Pacific.

He served as superintendent of the Burlington-Rock Island Railroad at Houston, Tex., for three years during World War II. He was appointed general manager, RI, at Des Moines in 1952 and became assistant vice president operations at Chicago the following year. He had been vice president operations from April 1954 until his selection as executive vice president earlier this year.

Just before his election as president, Mr. Johnson had told Rock Island stockholders that in 1961 "if the upturn in the general economy materializes as predicted, and with strict control of our expenses, we will do well, or possibly a little better than during 1960."

'Telpak' in Lieu of Microwave?

► **The Story at a Glance: In an effort to compete with private microwave systems, American Telephone & Telegraph Co. is offering Telpak service, which provides the equivalents of 12, 24, 60 and 240 telephone channels. Motorola, which manufactures microwave components, and Western Union, an AT&T competitor in the communications field, have asked the FCC to investigate the Telpak tariff. Railroads, which are among the biggest actual and potential users of microwave, are following the case closely.**

The railroad industry, which now operates 5,180 miles of microwave and has another 11,000 miles under construction or in the planning stage, is taking a close look at AT&T's Telpak. At least one railroad is already using Telpak on a limited basis, and others have privately expressed interest in the new communications service.

Telpak is intended to give large communications users a choice between common carrier services and private microwave systems. The customer could use Telpak channels to send telephone, telephotograph, facsimile, teletypewriter, data transmission, remote metering, supervisory control, and miscellaneous signaling transmissions. Service could be one-way or for simultaneous transmission in both directions, with the objective of providing the same flexibility and adaptability as private microwave systems, with competitive prices. Four types of service provide equivalents of 12, 24, 60 and 240 telephone channels. In terms of carrier spectrum assignment in kilocycles per second, they are 48, 96, 240 and 1,000, respectively. Full-time Telpak service is available on a seven-day, 24-hour basis, on a one-month minimum. The FCC has directed AT&T to apply the Telpak tariff so that the derived channels come from one broadband channel, rather than diversity of facilities. AT&T says it will take steps to comply with the order.

Motorola and Western Union have filed petitions with the Federal Communications Commission asking an investigation and hearing on the Telpak tariff. The major claims of these companies center on the charge that "the Telpak tariff contains rates which are lower than telephone company costs." It is also alleged that the effect of the Telpak tariff "is to promote a complete monopoly by a telephone company" in the private line communications field. Late last week the FCC had taken no action on the petition.

AT&T's answers, in part, are as follows: "Because of the nature and arrangement of its facilities and because of its constant efforts to anticipate and provide for changing public requirements, AT&T has the ability to offer Telpak to meet the public need for bulk communications service, at rates which are generally competitive with the cost of private microwave systems.

"It is not our purpose to stiffle competition, but to more effectively meet the competition of private microwave systems which the Commission in the above-890 mc decision made generally available. In that decision, the Commission stated that users should have freedom of choice between common carrier and private microwave service."

As for Telpak vs. private microwave, Joseph E. Keller, attorney for the Operational Fixed Microwave Council (a private microwave user group), told a National Retail Merchants Association meeting:

"You would first employ or make use of a communications engineer to determine precisely what your microwave communications requirements are. Then, upon his findings, ask for bids from the equipment manufacturers and from your local telephone company. Once the bids are in, a careful digit-by-digit, page-by-page, word-by-word analysis of the bids will have to be made by you. . . .

"Do all the bids adequately meet what your study determined to be your needs? What's the difference between the various prices bid, and what is the basis for the difference? Can you really afford to rely on common carrier maintenance and control of its system, or does the size and importance of your company's operation require that, because of your heavy and important reliance on communications, you yourself must have complete control and maintenance of the system? Has your company already invested in expensive, delicate and intricate data or other machinery, which you will not be allowed to connect to the telephone company Telpak lines, and which you could only utilize fully by constructing your own communications system? If the cost margin is in favor of Telpak, is the margin wide enough to absorb what many expect will be an increase in rates after a sufficient number of systems have come into operation? These questions you must answer for yourself, with the assistance of your attorney and your engineer."

RLEA Chief Hits Service Cuts

Railway labor's chief spokesman accused "a large segment of management" last week of attempting to protect profits by curtailing service.

George E. Leighty, chairman of the Railway Labor Executives' Association, told the 26th convention of the International Brotherhood of Firemen and Oilers in Philadelphia:

"We know that more and better—not less and poorer—service is the only way by which the railroads will maintain their competitive position against the aggressively service-minded trucking industry and airlines. Yet railroad management's only answer to the challenge of the truck and the airplane has been to reduce, eliminate and downgrade railroad services on the amazing premises that the railroad industry will make more by giving the public less."

Mr. Leighty said "certain carrier managements," which he did not identify, have resisted the trend. The "good sense" of these carriers, he said, saved Railway Express at a time when "many railroads . . . were deliberately trying to wreck" the agency.

Specifically, Mr. Leighty accused the railroads of:

- Discouraging LCL business (sometimes "by asking shippers flatly to put their business on the trucks").
- Discouraging passenger-train travel. ("Ancient, filthy, unmaintained and even unsafe passenger equipment has been used at a time when buses and airlines were making almost a fetish of providing modern, comfortable accommodations. Railroad reservation and ticket sales facilities have been greatly curtailed and made inconvenient. . . .")
- Seeking to effect a "drastic cutback" in service through mergers. Mr. Leighty said railroad unions are not opposed to all mergers and foresee that some mergers "would be beneficial to both the industry and the public." But no such beneficial mergers, he said, are now before the ICC. Mr. Leighty said the present merger impetus in the railroad industry comes from "bankers and insurance companies and other financial interests" controlling the carriers.

6 good reasons for traveling Canadian Pacific's Scenic Dome streamliner "The Canadian"



The Banff-Lake Louise Route takes you through the heart of the Canadian Rockies. "The Canadian" follows this spectacular Scenic Dome route, linking Montreal-Toronto and Vancouver with daily service throughout the year.



High in the Scenic Domes you command a matchless view of Canada's natural wonderland: snow-capped peaks that scrape the sky, stately forests of tall timber, and crystal-clear glacier lakes.



The intimate Mural Lounge is an ideal spot for passing leisure moments and meeting new friends. (You will also want to try the informal Skyline Coffee Shop for delicious but inexpensive light meals.)



In the Deluxe Dining Room Car you can savor superb cuisine, prepared by the finest Canadian chefs. Here, as throughout the train, passengers find the service is courteous, prompt and always thoughtful.



Bedrooms, roomettes and drawing rooms assure round-the-clock comfort. By day, there's room for relaxing. At night, you sleep soundly in spacious uppers or lowers as "The Canadian" speeds silently across the continent.



Thrifty, comfortable coaches feature reclining armchairs with full-length leg and foot rests and adjustable head rests. Other features: courteous porter service, soft transcribed music. All coach seats reserved at no extra cost!

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CARDWELL WESTINGHOUSE COMPANY

332 South Michigan Avenue, Chicago 4, Illinois • Canadian Cardwell Co., Ltd., Montreal 2, Quebec

Market Outlook

Carloadings Drop 0.1% Below Previous Week's

Loadings of revenue freight in the week ended May 6 totaled 543,544 cars, the Association of American Railroads announced on May 11. This was a decrease of 812 cars, or 0.1%, compared with the previous week; a decrease of 98,256 cars, or 15.3%, compared with the corresponding week last year; and a decrease of 134,616 cars, or 19.9%, compared with the equivalent 1959 week.

Loadings of revenue freight for the week ended April 29 totaled 544,356 cars; the summary, compiled by the Car Service Division, AAR, follows:

REVENUE FREIGHT CARLOADINGS
For the week ended Saturday, April 29

District	1961	1960	1959
Eastern	79,429	93,391	99,427
Allegheny	86,700	117,619	124,440
Pocahontas	46,357	54,155	55,052
Southern	109,965	119,033	121,178
Northwestern	64,466	98,733	102,295
Central Western	108,927	110,587	119,405
Southwestern	48,512	49,810	54,397
Total Western Districts	221,905	259,130	276,097
Total All Roads	544,356	643,328	676,194
Commodities			
Grain and grain products	49,699	45,828	47,406
Livestock	4,750	4,902	6,447
Coal	93,710	106,495	106,543
Coke	5,917	9,225	10,914
Forest Products	36,628	40,579	41,684
Ore	21,455	66,850	60,907
Merchandise l.c.l.	29,279	36,715	42,117
Miscellaneous	302,918	332,734	360,176
April 29	544,356	643,328	676,194
April 22	533,435	625,410	649,319
April 15	522,386	622,663	634,848
April 8	505,930	600,747	619,268
April 1	505,917	597,607	590,592
Cumulative total, 17 weeks	8,489,291	10,068,897	10,137,382

PIGGYBACK CARLOADINGS.—U. S. piggyback loadings for the week ended April 29 totaled 11,425 cars, compared with 11,129 for the corresponding 1960 week. Loadings for 1961 up to April 29 totaled 179,886 cars, compared with 177,033 for the corresponding period of 1960.

IN CANADA.—Carloadings for the seven-day period ended April 21 totaled 63,012 cars, compared with 61,538 for the previous seven-day period, according to the Dominion Bureau of Statistics.

	Revenue Cars Loaded	Total Cars Rec'd from Connections
Totals for Canada		
April 21, 1961	63,012	24,555
April 21, 1960	59,519	26,641
Cumulative Totals		
April 21, 1961	930,718	394,357
April 21, 1960	1,035,380	470,447

New Equipment

FREIGHT-TRAIN CARS

► *Central of Georgia.*—Ordered 75 covered hopper cars from Pullman-Standard at a cost of $1,011,900. All cars will be equipped with roller bearings. Delivery will begin this month.

► *Norfolk Southern.*—Purchased five 70-ton, 3,500-cu-ft covered hoppers from ACF at a cost of $11,700 each.

PIGGYBACK

► *Trailer Train.*—Completed placement of a $6,700,000 order for 500 piggyback flat cars (RA, April 10, p. 31). ACF will build 180 cars; Bethlehem Steel, 100; GATC, 25; Pullman-Standard 195, including 90 Lo-Dek cars. All will be roller-bearing equipped.

LOCOMOTIVES

► *Uruguay.*—Has invited bids for supply of 39 diesel-electric locomotives. Contracts are expected to be awarded in about three months.

New Facilities

► *Burlington.*—Major projects under construction include: Improvement of interchange connection with Union Pacific, Grand Island, Neb., to expedite interchange of freight trains complete with locomotive and waycar; relocation of 1.4 miles of main track and other facilities, North St. Louis, Mo., in connection with building of new levee (city of St. Louis expense); extension of CTC from Spanish Lake to North Market Street interlocking (St. Louis) and elimination of one main track; installation of dragging equipment detectors at Riverside, Montgomery, Aurora and Galesburg, Ill.; and installation of broken wheel detectors at Galesburg, Ill., and Lincoln, Neb., hump yards.

► *Central of Brazil.*—Ordered CTC equipment from Union Switch & Signal Division of WABCo. for installation between Mogi das Cruzes-Itaquera and Itaquera-Sebastiao Gualberto, Brazil, 25 miles.

► *Chicago South Shore & South Bend.*—Is constructing new grade crossings for two streets opened across its tracks in Gary, Ind., and has completed an industrial spur in Michigan City, Ind., at a total cost of approximately $60,000.

► *Chicago Transit Authority.*—Ordered automatic interlocking equipment from Union Switch & Signal Division of WABCo. for installation at the Kimball Avenue Terminal on the Ravenswood Line.

► *Delaware & Hudson.*—Will spend $150,000 for new roadway machinery and tools during 1961. Included will be a trackliner; a wire surfacing device; a speed swing crane equipped with special cribbing bucket for grade crossing work and snow blower for snow removal; also a ballast reclaimer and miscellaneous automotive equipment.

► *Duluth, Missabe & Iron Range.*—Current projects include construction of two 25-car pulpwood loading tracks at Skibo, Minn., by a local contractor.

(Continued on following page)

Market Outlook CONTINUED

► *Katy.*—Two line changes, made necessary by reservoir construction, are under way in Oklahoma. Relocation at Osage involves 5.2 miles of line, will take two years to complete. Cost is estimated at $4,705,000. Relocation near Eufaula involves 20.5 miles, will take three to four years to complete. No cost estimate is available. Work is being performed by outside contractors, at government expense.

► *Link Belt Co.*—Ordered three sets of electro-pneumatic car retarders from Union Switch & Signal Division of WABCo. for installation at an ore handling facility in Brazil.

► *Northern Pacific.*—Major current projects involve expenditure of approximately $4.6 million, and include: Installation of CTC between Laurel and Livingston, Mont., and between Spokane and Kootenai, Wash., $3,349,000; installation of remote control system for yard, Tacoma, Wash., $528,400; construction of car shop and paint shop (to replace shop destroyed by fire), Laurel, Mont., $199,000; construction of trackage to serve St. Regis Paper Company plant, Tacoma, Wash., $188,000; signal and wiring replacement, Perham to Lake Park, Minn., $112,500; track and structures changes including construction of new freight house, Valley City, N. D., $91,000; installation of facilities for loading and unloading bi- and tri-level auto cars, various locations, $70,000; improvement of telephone and communications facilities, Pasco to Yakima, Wash., $52,560.

► *Santa Fe.*—Has completed plans for a 38-mile line change between Abra and Skull Valley, Ariz. Contracts for grading, bridging and fencing have been awarded to the Vinnell Corp., Alhambra, Calif., with company forces constructing track. The $3.5-million line change, which will cut 14 miles off Santa Fe's main line to Phoenix, is scheduled for completion in October.

► *Seaboard.*—Is laying 13 miles of welded rail on its main line between Clinton and Carlisle, S. C.

► *Union Pacific.*—Will extend its present 563-mile Omaha, Neb.-Laramie, Wyo., microwave network to Salt Lake City, Utah, 463 miles to the west, and will construct a 184-mile microwave link between Portland and Hinkle, Ore. Twelve repeater stations will be built between terminal stations at Cheyenne and Salt Lake City and four repeater stations will be located between Portland and Hinkle. The Oregon operation is scheduled for completion in June and the Wyoming-Utah system is due to be finished early in 1962.

Maintenance Expenditures

► *Down 9.3% in February.*—Expenditures by Class I roads for maintenance of equipment, way and structures in February were down about $22.6 million, compared to February, 1960, according to report of AAR Bureau of Railway Economics summarized below:

	February 1961	*February 1960*	*% Change*
Maintenance of Way and Structures ..	$ 87,243,767	$ 94,578,102	— 7.8
Maintenance of Equipment	133,682,549	148,995,246	—10.3
Totals	220,926,316	243,573,348	— 9.3

Letters from Readers

'Great Train Robbery'

Chicago

To the Editor:

I want to congratulate you on "The Great Train Robbery" and "What YOU Can Do" sections of the May 8 issue. Of course, I enjoyed the entire issue—as usual—but I was especially moved by the articles mentioned to write even a few more letters about Jimmy Hoffa's tactics!

C. J. Bueschel
General Superintendent Dining Service
Illinois Central

Highest Capacity Car

To the Editor:

After reading your interesting article concerning the world's highest capacity flat car (RA, April 17, p. 37), we thought you might be interested in what we think is the world's highest capacity car.

In January, the Westinghouse Electric Corporation took possession of a rail car at Sharon, Pa., for use in shipping transformers. It is a two-section car which allows the transformer to be loaded within five inches of the rail. The transformer then becomes an integral part of the car. This is the second car of this type now owned by Westinghouse at Sharon. The first has a capacity of 500,000 lb.

The following statistics describe the WECX-201:

Height	14'6"
Length (Unloaded)	78'6"
Maximum Width	10'8"
Trucks	2 6-wheel 4 4-wheel
Capacity	750,000 lb
Light Weight	300,000 lb
Radius of Curvature	32 degrees

T. A. Dolley, Supervisor
Traffic Operations
Westinghouse Electric Corp.

Current Publications

BOOKS

FIVE TRAFFIC AND TRANSPORTATION CONFERENCES, 1957-1961. 278 pages. Canadian Industrial Traffic League, Inc., 20 Bloor st. West, Toronto 5, Ontario. $5.

Contains the verbatim reports of the first five annual traffic and transportation conferences held in conjunction with the annual general meetings of the CITL. Subjects covered are private motor trucking in Canada; agreed charges; improved transportation through shipper-carrier cooperation; piggyback service in Canada; private transportation—its impact on for-hire carriers; and reducing distribution costs.

Track Readied for Automatic Train

The New York City Transit Authority is replacing a 2,600-ft stretch of conventional ballasted track with a new design in which rails, mounted on rubber tie pads, are bolted directly to a permanent concrete right-of-way. Work has already begun on the track, one of four tracks in the Times Square-Grand Central shuttle service. When the new trackwork is completed, early in June, this track will be available for use by the Transit Authority's automated subway train (RA, Nov. 14, 1960, p. 40).

First step was to take the track (Track 4) out of service for the duration of the work. Traffic, however, is continuing at frequent intervals on other tracks, which complicates work procedures.

New 39-ft lengths of 100-lb ARA-B rail were brought in, the old rail construction was dismantled, and ties and rail were loaded on work cars to be removed. Then a front-end loader was brought in to clean ballast down to the concrete floor, in 600-ft sections.

In each of the 600-ft sections, in turn, concrete pedestals will be brought in and located where the rubber tie pads will be placed. Before the installation of the rail, the tie pads are mounted, using 14 pads to each 39-ft rail-length.

Bolts to hold the rail are installed and the rail-pad-bolt assembly is mounted on the previously located pedestals. Frames are built around this and concrete—received through manholes and pipes from transit-mix trucks on the street above—is poured to make the permanent right-of-way.

Rail joints are staggered, with each joint "frozen" by a glued-joint process. The finished track, NYCTA officers say, will be as smooth as possible to facilitate operation of the automated shuttle train. It will also need less maintenance than conventional track requires.

A previous Transit Authority experiment with rubber-mounted rail (RA, March 7, 1960, p. 40), installed on a 160-ft section of another shuttle track, has worked well, the TA says. The former installation differs from the present design in that it used steel channel sections between the piers, while the present installation does not.



United Front

Railroad employees joined management last week in protesting passage of Teamster-backed legislation that would further restrict the railroads' right to compete. B&O delegation shown at Capitol in Washington includes (left to right) Engineers Duncan L. Adams and George W. Shelleman, Stewardess Kay Ivelic, Conductors W. E. Jeans and William D. Johnston, Engineer Edward Steinbock, Conductor Joseph Piraro.

Incentive Per Diem Backed

State railroad and utility commissioners will be asked to give "immediate and active support" to two bills—S. 886 and H. R. 146—designed to "encourage more realistic rental charges for the use of freight cars and speed the return of those cars to their owners." The National Car Shortage Committee of the National Association of Railroad and Utilities Commissioners announced the move after a meeting with railroad officers recently in Chicago.

The measures involved classify as incentive, rather than penalty, per diem bills. Identical bills were introduced in the last session of Congress (S. 1789 and H. R. 7937) and were reported out of committee favorably in both the Senate and the House. No further action was taken, however, and the Senate group noted in its report that the AAR "asked the Committee to take no action on such bills during the present session, pending further study of the problem by . . . railroad executives . . ."

Bills now pending would amend Section 1 (14) (a) of the Interstate Commerce Act by adding a new section authorizing the ICC to consider car ownership levels and "other factors affecting the adequacy of the national freight car supply," and to determine whether per diem charges should be computed on a basis of:

- Elements of ownership expense, including a fair return on value;
- Elements reflecting the value of use of freight cars; or
- Such other factors "as in the Commission's judgment will provide just and reasonable compensation to freight car owners, contribute to sound car service practices and encourage the acquisition and maintenance of a car supply adequate to meet the needs of commerce and the national defense."

Wage Hike Averts Canada Strike

Canadian railways have agreed to a 14-cents-an-hour wage increase for some 110,000 non-operating employees, thus averting a strike that had been set for May 16.

The settlement was along lines recommended by a conciliation board last year. The non-ops accepted the board's recommendations but management declined to go along (RA, Sept. 12, 1960, p. 9).

A strike was originally called for last Dec. 3 but was postponed pending completion of the report of the Royal Commission on Transportation. That commission's recommendation that the railways be granted "public assistance" payments for providing certain services (RA, April 17, p. 9) apparently was behind the shift in management's position on the non-op increase.

Settlement of the non-op dispute followed 18 months of negotiations between the railroads and 15 bargaining unions. The railways estimate the settlement will cost them $38 million annually.

The new two-year contract is retroactive to the beginning of 1960.

Dividends Declared

ATLANTA & CHARLOTTE AIR LINE.—$4.50, semi-annual, payable Sept. 1 to holders of record Aug. 19.

CLEVELAND & PITTSBURGH.—7% regular guaranteed, 87½¢, quarterly; 4% special guaranteed, 50¢, quarterly, both payable June 1 to holders of record May 10.

LAKE SUPERIOR & ISHPEMING.—40¢, quarterly, payable June 15 to holders of record June 1.

MAINE CENTRAL.—5% preferred, accumulation, $1.25, payable June 1 to holders of record May 16.



Charles F. Yardley
B&M



J. Melville Beaupre
CN



Harold W. Hayward
CPR



M. R. Cring
M-K-T



William J. Jones
SP



F. L. Bredimus
Symington Wayne

PEOPLE IN THE NEWS

ALTON & SOUTHERN.—**John T. Daley**, superintendent motive power, East St. Louis, Ill., appointed chief mechanical officer. **Ewald Milkert** named assistant chief mechanical officer.

ASSOCIATION OF AMERICAN RAILROADS.—**Wade Jones** has joined the public relations staff of the AAR as a special press representative. Mr. Jones formerly served in the public relations department of the Democratic National Committee.

BOSTON & MAINE.—**Charles F. Yardley**, assistant general manager—transportation, Boston, Mass., appointed general manager—piggyback.

CANADIAN NATIONAL.—**J. Melville Beaupre**, special representative, piggyback services, Montreal, Que., appointed system piggyback sales manager.

Paul C. Hankey, assistant freight traffic manager, Chicago, named Central sales manager. **Earl F. Flinn**, general freight agent, Chicago, appointed Western sales manager.

CANADIAN PACIFIC.—**Harold W. Hayward** appointed assistant chief of motive power and rolling stock, Montreal, succeeding **W. D. Dickie** (RA, April 24, p. 44). Mr. Hayward has been assigned to special duties in connection with the MacPherson Royal Commission on Transportation.

D. E. Sloan, manager, Canadian Pacific Transport Co. Ltd., Winnipeg, Man., appointed assistant to general manager, CPR merchandise services, Montreal, succeeding **R. E. Wilkes**, appointed manager of highway operations, Montreal. **A. G. McGavock**, assistant manager, Winnipeg, succeeds Mr. Sloan.

CHESAPEAKE & OHIO.—**LeRoy Hurt**, assistant auditor of revenues, named auditor, Cleveland, with jurisdiction over expenditures, paymaster's, and revenues offices. **H. H. Sass**, assistant general auditor, Cleveland, moves to Detroit where he will be in charge of the expenditures office.

CHICAGO & NORTH WESTERN.—**Harry Bierma, Jr.**, formerly associated with Real Estate Research Corp., named manager of the real estate department, C&NW.

The Winston-Salem offices of the C&NW and the M&StL Ry. division are now located in Room 404 Reynolds Building, Winston-Salem, N. C.

FRISCO.—**H. L. Gastler**, superintendent, Ft. Scott, Kan., appointed vice president, regional manager-sales, Birmingham, Ala., succeeding **E. G. Baker** as vice president. Mr. Gastler's regional manager-sales position is newly created and will give him supervision over the Southeastern sales offices. **H. A. Baker**, assistant to president, Memphis, Tenn., transferred to Springfield, Mo., to assist the road's general manager in industrial development and community relations activities. **V. H. Biedermann**, regional manager-sales, Atlanta, replaces Mr. Baker, and in addition will act as regional manager-sales for the newly created Southern sales region. **Carl H. Gray**, special representative, traffic department, St. Louis, appointed regional manager-sales there. **W. T. Rutherford**, district manager-sales for the Frisco's subsidiary, the St. Louis, San Francisco & Texas Ry., named to the newly created position of vice president, regional manager-sales of that road, with headquarters as before at Dallas. All appointments effective June 1.

J. R. Marlowe appointed trainmaster—general agent, Fort Smith, Ark.

GULF, COLORADO & SANTA FE.—**F. J. Pratali** appointed assistant to general manager, Galveston, Tex., replacing **C. I. Herman**, on leave of absence.

LOUISVILLE & NASHVILLE.—**C. W. Holaway** appointed assistant to manager sales and service, Louisville, Ky. **Stanley E. Franey** named traffic manager, New York, to replace **J. W. Sellers**, promoted (RA, May 8, p. 35).

John T. Koehler appointed assistant general purchasing agent, succeeding **Earl M. Cottrell**, retired.

MISSOURI-KANSAS-TEXAS.—**M. R. Cring**, assistant to president, St. Louis, appointed vice president, executive department there.

MILITARY TRAFFIC MANAGEMENT AGENCY.—**Maj. Gen. I. Sewell Morris**, executive director of MTMA, has announced organizational changes in his agency headquarters in Washington, D. C. effective May 1. The revised MTMA headquarters has four directorates, whereas the former organization had only three. The Directorate of Administration and Services will be headed by **Roland L. Guyotte, Jr.**, former special assistant to Gen. Morris. The directorate of Policy and Plans will be under the command of **Col. Richard M. Ludlow**, USAF; the Directorate of Freight Traffic will be under **Capt. Harry W. Leiser**, USN; and the Directorate of Passenger Traffic will be headed by **Capt. C. V. Johnson**, USN.

NEW YORK CENTRAL.—**R. W. Orr**, assistant district engineer, Western district, Cleveland, appointed district engineer of track there. **C. E. O'Connor**, engineer bridges, Cleveland, named district engineer of structures there. **R. A. Cameron** appointed materials engineer, Cleveland, and position of supervisor of materials distribution abolished. The following assistant division engineers appointed division engineers of track: **R. O. Beers**, Lake division, Cleveland; **W. W. Kerr**, Western division, Chicago, and **W. A. Marx**, Toledo division, Toledo, Ohio. Abolished former positions of Messrs. Orr, Beers, Kerr and Marx.

SOO LINE.—**Edward A. Hamerski** appointed superintendent, Central division, Minneapolis. **John A. DeKay** and **Howard J. Sindahl** named trainmasters, Eastern division, Stevens Point, Wis. and Central division, Shoreham (Minneapolis), respectively. **Russell H. Kapitan** appointed terminal trainmaster and agent, Western division, Bismarck, N. D.

John Holloway, traffic manager, Chicago, appointed traffic manager, Eastern Sales. **Arthur O. Plunkett**, traffic manager, New York, placed on disability leave. **Roy J. Peterson**, commercial agent, Pittsburgh, named general agent there, to succeed **Gordon A. Johnstone**, named to the newly created position of assistant traffic manager.

John P. Gannon, division engineer, named division engineer, Eastern division, with headquarters remaining at Stevens Point. **Bernard R. Prusak**, division engineer, Superior, Wis., becomes division engineer, Central division, Shoreham. **Warren B. Peterson**, division engineer, Thief River Falls, Minn., appointed division engineer, Western division, Enderlin, N. D. **Bertel E. Pearson**, division engineer, Marquette, Mich., named assistant to chief engineer, Minneapolis.

SOUTHERN PACIFIC.—**William J. Jones** appointed engineer maintenance of way and structures-system, San Francisco (RA, April 17, p. 49).

E. D. Moody, assistant general manager, retired April 30.

TRAFFIC EXECUTIVE ASSOCIATION—EASTERN RAILROADS.—**Charles R. Goldrich** assistant chairman, New England Territory Railroads—Freight Traffic Committee, Boston, Mass., appointed chairman, succeeding **James P. Harrington**, who retired April 30.

OBITUARY

Frederick T. James, 67, who retired in April 1959 as assistant to vice president—operations of the **Lackawanna**, died May 8 at his home in Dunmore, Pa.

David Kantor, 50, assistant freight sales manager, **Grand Trunk Western**, Chicago, was found dead May 7 in his home at Mount Prospect, Ill., apparently the victim of a robbery.

Elwood P. Stine, 59, general manager Lines West, **Burlington**, Omaha, Neb., died May 7 in that city.



William A. Stutts
Owens-Corning



Robb W. James
WABCo

Supply Trade

F. L. Bredimus has been appointed vice president—sales of **Symington Wayne Corp.** **C. H. Godschall** has been named vice president—manufacturing. Mr. Bredimus will continue as president of Globe Hoist Co., subsidiary of Symington Wayne. Mr. Godschall was formerly vice president in charge of planning and production, Wayne Pump Co. division, Salisbury, Md.

William A. Stutts has been appointed sales manager of Fiberglas products for commercial transportation vehicles, **Owens-Corning Fiberglas Corp.**, Toledo, Ohio. His responsibilities include sales to the railroad, aircraft, truck-trailer and packaging industries. Mr. Stutts was formerly sales supervisor for pipe line and railroad products.

Robb W. James, general manager, **Union Switch & Signal**—Division of **Westinghouse Air Brake Co.**, has been elected vice president of the parent company.

Leonard C. Rose, director of purchases, **Colorado Fuel & Iron Corp.**, has been elected executive vice president. **Rudolph Smith**, works manager, Pueblo, Colo., plant, has been elected executive vice president—operations.

Howard L. Phillips has been appointed manager, International division, **Nordberg Mfg. Co.**, Milwaukee, Wis., succeeding **B. T. Eagerton**, retired.

Donald N. Chamberlain has been elected vice president of international operations for **Alco Products, Inc.** Mr. Chamberlain was formerly vice president of Alco Products Export Co.

Manuel Alonso, vice president of foreign sales for Alco Products, has been named president of **Alco Products Export Co.**

George B. Dutton, Jr., former research assistant to the comptroller, **Detroit, Toledo & Ironton**, has joined **R. L. Banks & Associates**, Washington, D.C., consultants in traffic and transportation economics, as senior associate.

William R. Merriam has been appointed Washington public relations representative for **International Telephone & Telegraph Corp.** Mr. Merriam was formerly special assistant, public relations department, **Association of American Railroads.**

James M. Hood, who retired last December as president of the **American Short Line Railroad Association**, has been elected to a one-year term as director of **International Railroads' Weighing Corp.**, Chicago, developers of Railweight system of coupled motion weighing of freight cars. Mr. Hood will act also as a consultant to the company.



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You Ought To Know...

A "shopping list" for San Francisco's proposed $1,025,000,000 Bay Area rapid transit system was made public last week. Sample items: 410,000 tons of all types of steel, 3,000,000 cubic yards of concrete, 4,500,000 barrels of cement, 120 million board feet of timber, $85 million worth of electrical materials and equipment. Labor costs (over the planned 10-year construction period) are estimated at between $300 million and $400 million.

Chicago, Aurora & Elgin, which ceased all operations in June 1959, last week received ICC approval of its petition for abandonment. But the road cannot dispose of its properties until the Illinois Commerce Commission sanctions the move.

Annual meeting of the AAR Accounting Division was cancelled this year, but the division's general committee will assemble June 7-8 at Chicago's Sherman Hotel. Action by the committee will permit placing in effect on Oct. 1 revisions of Interline Freight, Passenger, Overcharge, Disbursement and Arbitration Accounting Rules recommended by standing committees.

Legislation now before the Illinois General Assembly and backed by the Illinois Territory Industrial Traffic League would make a Teamster plan to collect $5 for each trailer or container moving in piggyback service illegal in that state.

Monon will lease its first 85-ft piggyback cars—three General American G-85 units—through North American Car's NITX division, which Monon joined last year (RA, Oct. 10, 1960, p. 7). NITX will also lease 25 Mark III 85-ft Flexi-Van cars to the Milwaukee.

Rail freight rates on cement shipped from five Midwest producing points to destinations in Minnesota, North Dakota and South Dakota will be reduced by an average of 15% effective June 6. Rates will apply on movements via Soo Line, Great Northern, Northern Pacific, Milwaukee and Chicago & North Western. Soo said the new charges will be lower than present truck rates, which "do not permit all cement producers to compete in the three-state area on the basis of equitable transportation costs."

America's transport goal must be "balanced development of all our major carriers and better and cheaper service for all the nation," AAR President D. P. Loomis declared in a special National Transporation Week statement. Asserting that "grave imbalances are being built into America's transportation system by outdated and contradictory government policies," he warned: "We may reach the moon and find ourselves bogged down here on earth."

C&O claims it will have "the largest and fastest coal-loading pier in the world" when the rebuilding of its Pier 14 at Newport News, Va., is completed in mid-1962. The road says it "will actually get the equivalent of another coal loader for an expenditure considerably less than what a new one would cost."

A total of 37,500 freight cars will be built in 1961, predicts American Steel Foundries President Joseph B. Lanterman. He told New York security analysts that, by December, production should be at a rate of about 60,000 per year.

Government spending this year for highway, air and water transportation will add up to a $67 tax burden for every man, woman and child in the U.S., AAR Vice President J. Handly Wright told the National Association of Railway Business Women at its Las Vegas, Nev., convention last week. Mr. Wright said the $12.5 billion to be spent in 1961 will be piled onto $165 billion in public spending for transportation in past years.

A new building to house its general offices will be built by the Norfolk Southern in Raleigh, N. C. NS hopes to have the structure completed by October. The road's general offices are now located in Norfolk.

Union Tank Car's new dome-styled Wood River, Ill., car repair facility was dedicated May 5. A similar geodesic structure was completed at Baton Rouge, La., in 1958. The facility provides an enclosed area of 110,000 sq ft (2½ acres) without internal supports. Height is equivalent to that of a 10-story office building.

Stony Mountain Scenic Railroad, Atlanta, Ga., plans to redesign six vintage commuter coaches purchased from C&NW and put open vestibules at both ends to "make them look even older" for use as excursion cars.

Illinois Central's proposed 8.2% commuter fare increase has been suspended by the Illinois Commerce Commission and set for hearing May 17. IC had filed the increase to become effective June 1 (RA, May 8, p. 36).

One of Union Pacific's 4,000-class "Big Boy" steam locomotives, a 4-8-8-4 built in 1941 by American Locomotive Co., will go on permanent exhibition at the National Museum of Transport in St. Louis in July.

Long-range prospects for railway suppliers are good, says the Value Line Investment Survey, which cites increasing diversification and "the prospect of more liberal depreciation credits for the railroads and perhaps for other customers." But "not until 1962," says the survey, is the current upswing in rail traffic "likely to spill over into significantly enlarged shipments for the equipment makers."

Bulk Terminals Co., a newly-acquired subsidiary of Union Tank Car Co., will develop a 200-million-gallon capacity bulk liquid storage terminal on a 177-acre tract at the entrance to Lake Calumet harbor, Chicago, at an estimated cost of $17 million.

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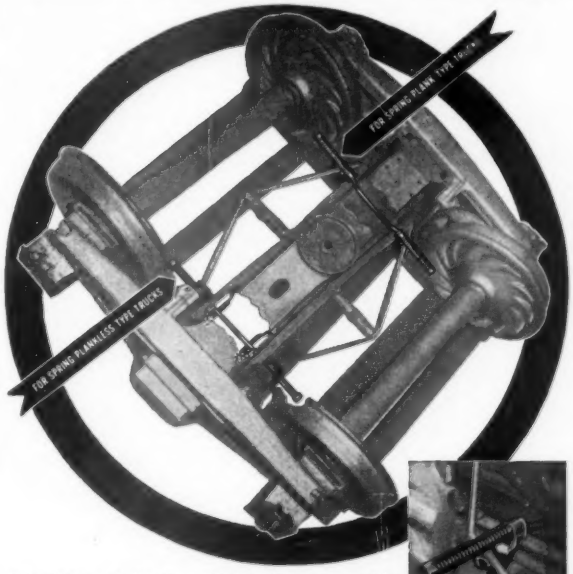
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'Get Your Foot Off My Neck'

This paper persists in its belief that railroad passenger service, one of these days, (a) will cease to decline and will start to grow once more and (b) will get out of the red ink and into the black. Let's review the situation briefly—

Some people seem to look upon railroad passenger service as they might upon an ailing relative in an old folk's home. They regard the invalid with compassion, to be sure, but are under strong temptation to wonder whether an early funeral might not be preferable to lingering and painful illness.

Such half-wishful thoughts are far afield—especially when they are not firmly grounded in fact. That part of railroad passenger service which had lost its technological and economic reasons for existence has, for the most part, already disappeared. Most of the service which still persists, but in a poor state of health, is not languishing from an internal malady—but from poison administered by government. Remove the poison and the invalid would rapidly recover.

In any event, that part of railroad passenger service in and around the largest metropolitan centers is indispensable to the prosperity, and even the life, of these centers. Some method has to be contrived to enable it not only to survive, but to improve and grow. Also, railroads can serve the basic passenger transportation needs of city pairs in the 200-500-mile area more economically than any other form of public transportation. And there is certainly a basically sustaining market for at least a limited amount of overnight and long-haul passenger service, both in the luxury and economy classes.

HEAVY GOVERNMENTAL BOOT

"Take your foot off of my neck"—this was recently suggested by a prominent railroader (RA, Feb. 6, p. 22), as a sort of slogan for the railroads in their attitude to government. There is no place in railroading where this prescription is more appropriate than it is as regards passenger service. Just where and how is the governmental hoof (a cloven hoof at that) bearing down on the railroads? Here are a few of the places:

- The parallel and competing system of highways, for which compensatory charges (particularly in congested areas of high land values) are not exacted of the users—thus making highway transportation costs appear less than they are.
- Extortionate taxes on railroad property and no such taxes at all on highway and airport property.
- Favoritism of competing short-haul airlines with lucrative mail contracts and direct operating subsidies (permitting these lines to offer rates far below actual cost of service).
- Governmental connivance at regulations and rules that compel the over-manning of trains.

The list might be considerably extended, but these few items alone would be sufficient to take the most prosperous industry in the country and convert it into a ruin. The fact that railroad passenger train service is still a billion-dollar business, despite all the arbitrary burdens that have been laid on it, affords conclusive proof of its inherent economic strength.

'PLANNERS' ARE LEARNING

The correction of these intolerable inequities—and the restoration to vigor and growth of that part of the railroads' passenger service for which there is genuine public need—must come primarily from leadership by public spirited citizens, in protection of their own interests. Passenger service never has been, and never can be, the really large and remunerative part of the railroads' overall service. Right now railroads are too hard pressed in providing attractive facilities and rates for their profitable freight business to give full attention to public education in the economics of passenger transportation. *But railroads have a potent educational device in the exercise of their legal right to withdraw red-ink passenger trains.*

Faced with the imminent loss of indispensable services, public authorities are beginning to understand the economic facts of life about what is needed in the way of railroad passenger service—and what revisions in public policy must be made to permit continuation of such service.

Civic planners, too, have made rapid and penetrating progress in their mastery of the subject. For example, turn to the new book "The City in History" by Lewis Mumford, the nation's best known authority on regional development. In that book you will find much more rugged criticism of the policies this country has been following in force-feeding highway transportation, and down-grading railroads, than many railroad men themselves would utter.

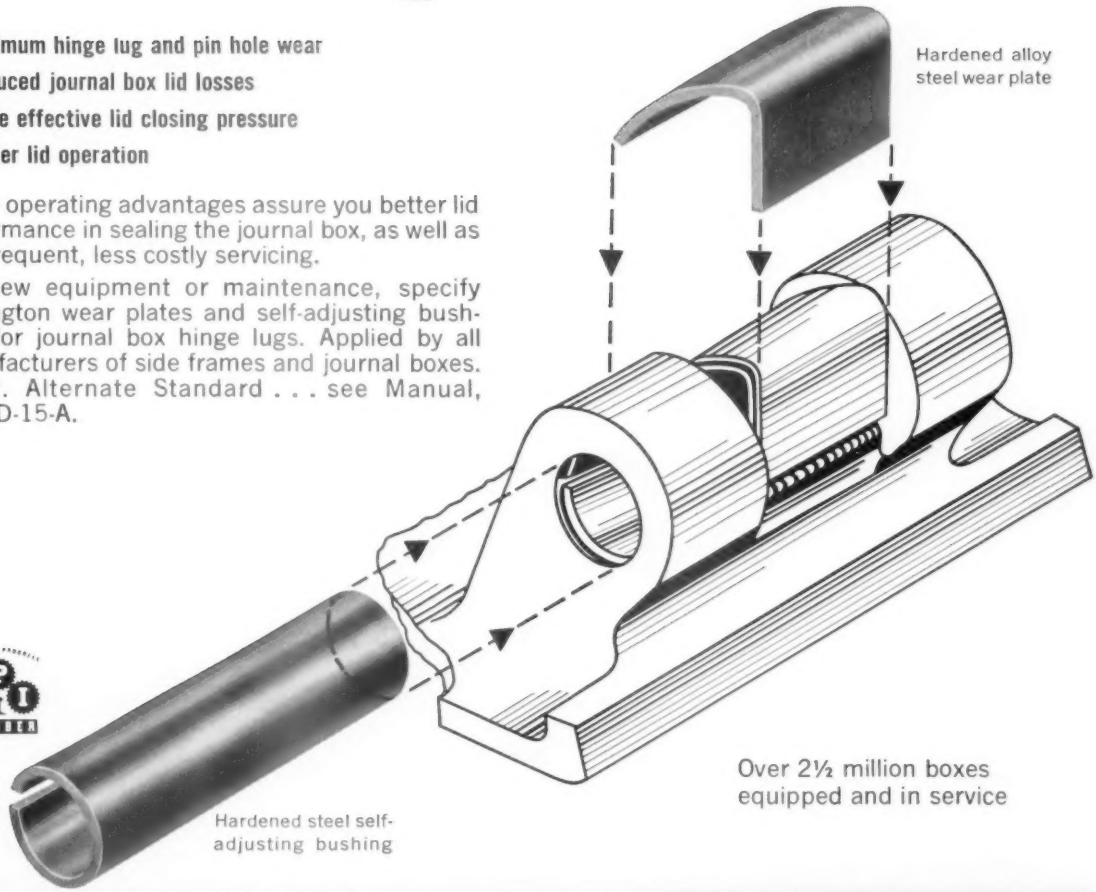
It is such heavy-duty social philosophers who lay the groundwork for most major national policy changes, ten years or more before the changes actually take place. The railroads' heavily subsidized rivals are riding the crest of the wave right now, but they are more and more drawing the critical fire of some mighty important people. Railroad passenger service can be reestablished on a stable and reasonably profitable business basis, with continued and deepened understanding and encouragement from influential citizens who know the score.

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